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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1950

Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1958

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JUNE 30, 1958

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

November 30, 1958

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1958 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by F. W. Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes & Co.

Municipal Railway, by Haskins & Sells.

San Francisco School Department, by Benjamin H. Hicklin.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

Harry D. Ross

HARRY D. ROSS
CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Property Taxes and Penalties	$60,358,808	$60,699,337	$66,500,390	$70,595,833	$69,852,672	$76,123,581	$84,448,841	$89,361,418	$93,181,568	$ 99,074,852
Retail Purchase and Use Tax	4,667,018	4,579,668	5,045,495	4,923,011	5,049,201	4,984,922	5,124,681	5,603,569	11,305,306	13,197,860
Other Taxes and Licenses	1,465,059	1,506,803	1,558,434	1,614,163	1,698,453	1,730,380	1,811,030	1,928,163	1,270,812	1,031,980
Court Fines	1,386,183	1,630,166	1,661,179	1,882,284	2,246,475	2,470,813	2,637,894	2,859,703	2,937,851	3,094,354
Departmental Revenues	5,223,206	5,583,159	6,499,076	6,182,217	6,620,108	6,961,796	7,757,720	8,278,907	8,757,344	9,562,237
Interest Earned	305,950	418,823	489,584	530,303	526,697	578,940	507,011	518,865	699,822	1,020,829
Rents, S.F. Unified School District	401,066	371,262	361,303	358,655	367,265	364,083	356,863	356,767	355,847	355,342
Housing Authority in Lieu of Taxes	274,458	372,387	392,037	326,222	244,435	394,865	190,569	143,779	129,980	166,774
Miscellaneous	51,441	91,940	49,493	87,988	134,104	90,099	158,035	88,143	87,276	185,254
	74,133,189	75,253,545	82,556,991	86,500,676	86,739,410	93,699,479	102,992,644	109,139,314	118,725,806	127,689,482
Cash Transferred from Capital Funds	263,787	537,093	223,845	369,254	358,985	764,616	17,427	608,416	429,641	242,955
Cash Transferred from Trust Funds	.....	.....	.....	.....	.....	.....	1,274	.....	.....	.....
From School Cafeteria Fund	153,912	.....	.....	.....	.....	.....	.....	.....	.....	.....
	74,550,888	75,790,638	82,780,836	86,869,930	87,098,395	94,464,095	103,011,345	109,747,730	119,155,447	127,932,437
Revenues Through State of California Shared State Taxes:										
Motor Vehicle Fuel Tax:										
Special Gas Tax Street Imp. Fund	2,408,477	2,207,248	2,308,220	2,250,222	2,327,622	2,269,025	2,274,701	2,389,601	2,415,641	2,303,570
Special Road Imp. Fund	1,576,870	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,260	2,143,934	2,218,056	2,231,470
Motor Vehicle Registration Fees	360,431	382,973	403,898	405,851	413,464	329,250	413,571	416,204	436,687	439,308
Motor Vehicle License Fees	3,331,193	4,346,181	4,407,173	6,508,349	5,671,985	6,352,085	6,600,986	7,568,836	7,655,056	7,720,739
Alcoholic Beverage License Subsidy	1,264,850	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236	1,290,311	1,185,907	1,234,572
Miscellaneous	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Federal Grants-In-Aid:										
Maintenance of Minors	266,283	411,910	569,920	557,906	525,558	517,699	539,697	559,526	542,769	604,193
Aid to Needy Children	730,597	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146	3,248,027	3,453,075	3,737,658	4,474,871
Aid to Needy Blind	182,874	191,972	442,290	451,306	467,457	479,407	493,579	526,134	547,634	575,855
Aid to Needy Aged	3,883,186	4,785,842	11,979,851	11,657,159	11,814,605	11,760,138	11,273,450	11,489,951	11,849,568	12,178,122
Needy Disabled	.....	.....	.....	.....	.....	.....	.....	.....	.....	109,826
Medical Care Program (Needy Children, Blind & Aged)	.....	.....	.....	.....	.....	.....	.....	.....	.....	479,262
Adoption Program	.....	.....	64,000	93,008	116,139	126,815	86,349	95,656	90,319	107,610
Homes for Children and Aged	26,420	28,772	27,544	24,792	27,768	29,284	34,800	34,195	35,225	49,772
School Apportionments from State	7,355,393	7,462,264	7,720,320	7,781,132	8,427,501	10,770,345	11,219,877	11,451,505	11,719,609	12,988,207
County School Service Fund	27,400	27,059	26,577	29,471	31,550	36,587	38,903	44,435	49,082	223,083
Child Care Centers	577,000	602,300	498,023	482,905	466,447	410,102	444,621	513,056	481,842	553,624
School Cafeteria	94,346	85,602	94,945	111,061	75,635	87,259	116,688	195,129	254,585	261,408
Teachers' Retirement	247,553	335,794	352,874	682,629	737,547	803,158	922,054	993,475	1,018,652	1,941,621
Driver Training Program	.....	.....	.....	.....	.....	.....	.....	26,400	61,680	58,829
Federal Aid to Schools	599,883	496,366	482,511	640,957	823,518	1,055,033	894,401	534,745	1,157,997	890,925
Tuberculosis Aid Subsidy	342,678	489,684	523,186	513,845	520,617	459,341	533,288	426,784	315,443	329,159
Crippled Children Program	75,000	113,024	159,052	201,612	285,542	398,831	369,987	369,897	231,978	416,815
Other Public Health Subsidies	248,818	248,271	257,903	227,347	237,753	199,159	198,341	245,654	190,438	271,087
Aid for Log Cabin Ranch	31,424	40,569	45,402	46,407	43,250	46,360	52,907	54,930	57,852	64,569
Fire Boat and Waterfront Expense	199,776	202,262	209,849	219,498	229,416	252,808	207,850	221,503	243,320	240,620
Civilian War Assistance	65	.....	.....	.....	.....	.....	.....	.....	.....	.....
Disaster Council and Corps	.....	.....	.....	.....	.....	65,027	30,552	15,107	35,184	8,635
Post War Planning Projects	35,354	363,315	140*	37,750	125,147*	.....	.....	.....	.....	.....
Recreation Dept. Subsidy	.....	12,325*	.....	.....	.....	.....	.....	.....	.....	.....
California Centennial Commission	50,000	.....	.....	.....	.....	2,675*	.....	.....	.....	.....
	23,915,871	27,449,093	36,497,258	38,937,339	39,587,407	42,687,117	43,478,145	45,600,243	46,455,188	49,772,241
Total Revenues	$98,466,759	$103,239,731	$119,278,094	$125,807,269	$126,685,802	$137,151,212	$146,489,490	$155,347,973	$165,610,635	$177,704,678

*Denotes Expenditure

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

Departmental Expenditures:	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
General Government	$ 7,585,988.85	$ 7,828,393	$ 7,789,286	$ 8,767,034	$ 8,539,705	$ 9,385,669	$ 9,909,585	$ 10,250,985	$ 10,787,773	$ 12,501,200
Public Safety	14,393,249.89	15,228,793	15,888,907	17,509,966	18,748,784	20,804,800	22,004,766	22,057,205	24,483,491	25,867,480
Highways	1,922,531.04	2,046,428	1,963,287	1,950,737	2,722,831	3,028,109	3,287,857	3,450,138	3,569,748	3,770,786
Sanitation and Waste Removal	2,118,572.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,324,461	3,486,355	3,683,729	4,016,225
Conservation of Health	1,892,336.02	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125	2,918,451	3,208,255	3,343,925
Hospitals	6,318,117.81	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558	7,738,386	7,858,224	8,139,225	8,608,356
Public Welfare	8,595,960.80	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819	22,450,499	23,470,816	24,472,876	26,997,651
Correction	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756	2,106,164	2,184,814	2,278,679	2,578,233
Schools	21,219,221.03	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730	33,965,430	37,832,750	40,743,782
Libraries	772,215.21	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,106	1,303,988	1,396,034
Recreation	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,824,208	6,132,717	6,933,718
Total Departmental Expenditures	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732	125,893,231	136,757,390
Bond Redemptions	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000	6,888,000	7,407,000	8,492,000
Bond Interest	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,669,775	1,835,093	2,297,474
Pensions and Compensation Insurance	8,285,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,527,239	13,761,938	15,325,584	17,142,220	16,167,712
Judgments and Losses	56,543.48	37,177	79,589	21,749	213,370	125,789	209,633	175,068	190,333	18,779
Support of Public Service Enterprises:										
Airports	2,632,670.00	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774	1,323,029	.....
Municipal Railway	2,461,249.14	.....	1,062,032	2,384,117	9,000*	.....	2,932,848	3,098,178	3,495,329	3,452,414
Public Utilities Commission: Light, Heat and Power Bureau	1,022,824.77	28,679	213,740	65,136	1,812	139,379	145,615	210,319	188,436	70
Capital Additions From Revenues	4,103,630.48	5,034,158	7,297,801	3,621,951	3,447,108	5,777,715	5,237,613	5,500,062	5,494,473	5,829,651
Civilian Defense	.....	.....	106,165	303,405	218,896	201,273	186,730	185,934	230,611	176,758
Assessments, Other Civil Divisions	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113	132,000	132,000	132,000
Miscellaneous, net	1,817,305.93	140,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*	952,541*	1,536,731
Total Expenditures	$96,919,615.29	$101,501,574	$118,090,320	$122,586,674	$127,203,977	$135,730,407	$144,510,750	$150,567,165	$162,379,214	$ 174,860,979

*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)
Water Sales	$10,932,354.55	$10,151,099.50	$10,798,833.90	$11,351,399.94	$11,804,318	$12,133,574	$12,683,906	$13,048,334	$13,262,961	$13,699,044
Operating Expenses:										
Provision for Depreciation	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549	1,130,856	1,160,692
Other Operating Expenses	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086	8,359,446	8,652,230
	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635	9,490,302	9,812,922
Profit from Operations	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699	3,772,659	3,886,122
Other Income	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623	408,528	775,729
	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322	4,181,187	4,661,851
Other Expenses:										
Interest on Bonded Debt	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325	782,031	724,963
Other	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724	71,003	97,204	110,905
	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388	909,328	879,235	835,868
Net Income	$ 1,792,976.12	$ 1,918,043.36	$ 2,693,837.89	$ 3,209,919.76	$ 3,246,418	$ 3,688,874	$ 3,014,945	$ 3,208,994	$3,301,952	$ 3,825,983

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS

Fiscal Years 1948-49 to 1957-58

	FISCAL YEAR ENDED JUNE 30									
	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)
Power Sales	$3,390,905.66	$3,322,439.95	$3,439,372.12	$4,009,143.65	$4,617,981	$4,289,746	$4,526,289	$4,517,503	$4,804,325	$4,900,849
Standby Charge and Sale of Water to the S. F. Water Dept	3,780,804.29	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000	4,030,000	4,030,000
	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503	8,834,325	8,930,849
Operating Expenses:										
Provision for Depreciation	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028	1,914,026	1,910,742
Other Operating Expenses	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478	3,645,177	3,721,576
	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506	5,559,203	5,632,318
Profit from Operations	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997	3,275,122	3,298,531
Other Income	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255	109,527	100,342
	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252	3,384,649	3,398,873
Other Expenses:										
Interest on Bonded Debt	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714	1,380,333	1,275,916
Other	.....	.....	.....	2,248.68	2,354	.....	16,490	.....	.....	11,188
	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714	1,380,333	1,287,104
Net Income	$1,894,467.20	$1,618,436.52	$1,559,425.10	$1,553,127.01	$1,828,667	$1,590,020	$1,958,134	$2,171,538	$2,004,316	$2,111,769

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Revenues	$18,592,096.33	$18,575,307.83	$18,028,977.29	$18,242,353.37	$23,491,980.98	$22,137,625.17	$21,087,543.29	$20,456,021.15	$20,242,262.43	$19,842,117.52
Operating Expenses: Depreciation	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.37	1,041,798.34	1,056,028.47
Other Operating Expenses	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,559,117.37	20,931,375.55	20,732,587.20
	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,368.74	21,973,173.89	22,788,615.67
Profit from Operations	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,561.66*	1,502,347.59*	1,730,911.46*	2,946,498.15*
Other Income	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84	95,299.57	172,092.29
	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*	2,774,405.86*
Other Expenses:										
Interest on Market Street Railway purchase	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57	200,922.05	182,051.07
Other	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64	93,358.55	73,649.11
	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40	245,410.21	294,280.60	255,700.18
Net Income	$ 2,488,347.59*	$ 2,075,012.04*	$ 1,530,409.64*	$ 3,117,327.58*	$ 497,968.93	$ 882,472.90*	$ 1,153,078.19*	$ 1,655,194.96*	$1,929,892.49*	$3,030,106.04*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1948-49 to 1957-58

FISCAL YEAR ENDED JUNE 30

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
Revenues:										
Landing Charges	$ 130,101.09	$ 155,233.76	$ 213,317.28	$ 293,517.92	$ 340,008.82	$ 422,577.78	$ 444,124.65	$ 480,489.69	$ 524,316.77	$ 782,302.59
Rentals	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87	909,322.81	902,488.11
Other	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.66	1,251,440.88	1,497,332.18	1,735,589.77
	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76	3,420,380.47
Operating Expenses:										
Depreciation	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17	1,034,550.22	1,037,458.19
Other Operating Expenses	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86	1,401,178.89	1,576,111.88	1,617,240.98
	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06	2,610,662.10	2,654,699.17
Profit from Operations	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38	320,309.66	765,681.30
Other Income	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28	153,133.22	162,694.66
	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66	473,442.88	928,375.96
Interest on Bonded Debt	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86	138,540.00	111,466.05
Other Expenses			2,481.22	15,151.13	(20,253.67)	185,139.94	89,037.72	89,173.95	57,896.23	(4,952.20)
	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60	257,970.81	196,436.23	106,513.85
Net Income	$ 796,441.82*	$ 761,076.44*	$ 849,145.50*	$ 702,375.10*	$ 522,335.06*	$ 481,785.72*	$ 111,264.32	$ 10,721.85	$ 277,006.65	$ 821,862.11

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
FOR THE 10 YEAR PERIOD JULY 1, 1948 TO JUNE 30, 1958

	Increase or Decrease *				Balances June 30, 1958			
	Total	Land	Buildings Structures & Improvements	Equipment	Total	Land	Buildings Structures & Improvements	Equipment
GENERAL GOVERNMENT								
Civic Center, Incl. City Hall	$ 888,150.18	$ 134,432.83*	$ 237,291.80	$ 1,085,291.21	$ 10,168,818.98	$ 1,798,521.80	$ 4,352,795.09	$ 4,017,532.09
PUBLIC SAFETY								
Fire Department	6,575,943.48	406,048.36	5,061,607.05	1,108,288.07	19,910,076.08	1,002,653.77	13,896,653.13	5,010,769.18
Police Department	2,145,229.42	608,398.89	648,735.78	1,188,094.75	6,298,822.17	1,379,178.99	2,614,914.36	2,304,728.82
Department of Electricity	156,743.69		71,129.13	85,614.56	1,043,213.09	44,000.00	795,082.53	204,130.56
HIGHWAYS								
Streets, Tunnels, Bridges, etc.	42,788,969.41	5,047,716.15	37,379,603.63	361,649.63	108,991,165.49	13,789,225.54	94,719,503.97	482,735.98
Asphalt Plant	419,711.60		419,711.60		671,444.17		499,711.60	171,732.57
Off-Street Parking	2,614,981.81	2,583,079.10	58,902.71		2,614,981.81	2,583,079.10	58,902.71	
SANITATION								
Sewers & Sewage Disposal Plants	36,193,353.88	81,030.48	35,813,328.26	298,995.14	63,693,945.57	1,758,494.10	61,432,153.08	503,298.39
Street Cleaning Department	359,273.04			359,273.04	791,583.57			791,583.57
Garbage Incinerator					80,142.60	15,000.00	65,142.60	
HEALTH CONSERVATION								
Hassler Health Home	130,955.09		65,760.45	65,194.64	1,389,850.21	29,442.00	1,329,510.04	180,898.17
Civic Center Health Bldg.	225,802.78		735.79	225,066.99	1,133,865.73	158,013.49	908,744.20	367,108.04
Excelsior Health Center	112.50*	112.50*			85,083.54	14,335.00	66,618.18	4,130.36
Other	59,123.40*	134,256.15*	74,579.38	3,553.37	225,362.22	9,483.85	85,548.18	130,330.19
HOSPITALS								
San Francisco Hospital	2,928,612.60	19,630.00*	2,313,569.49	634,673.11	9,455,591.62	674,926.97	7,253,154.62	1,527,510.03
Emergency Hospitals	75,336.18		389.25	74,946.93	344,067.06	10,999.70	83,358.40	249,708.96
PUBLIC WELFARE								
Laguna Honda Home	4,740,305.49	100.00*	4,381,028.96	359,376.53	9,800,884.00	25,062.15	8,813,613.47	962,208.38
S. F. Welfare Department	188,522.08		61,911.09	126,610.99	515,752.09	137,500.00	224,441.09	153,811.00
CORRECTIONS								
County Jails	34,222.99		26,031.70	8,191.29	893,945.82	38,156.52	826,286.71	29,502.59
Juvenile Detention Home - Old	44,791.41		34,818.50	9,972.91	368,145.84	10,310.00	245,441.16	112,421.68
Youth Guidance Center	4,316,725.02		4,207,981.67	108,743.35	4,393,624.97	50,400.00	4,231,481.62	108,743.35
Juvenile Log Cabin Ranch	269,376.79		244,209.37	25,167.42	413,535.13	25,110.09	344,077.53	44,347.51
SCHOOLS	59,968,528.55	3,771,437.42	50,022,137.78	6,174,953.35	113,949,441.96	14,224,432.48	88,883,427.44	10,841,882.04
LIBRARIES	948,279.22	22,391.44	791,949.94	133,937.84	4,461,836.74	431,023.19	2,099,422.57	1,931,390.98
RECREATION								
Playgrounds	10,894,498.06	624,446.54	9,826,755.07	443,596.45	15,430,153.30	3,579,615.74	11,181,799.33	668,738.23
Museums, Art Galleries, etc.	754,720.56		647,120.97	107,599.59	2,181,600.09		1,800,210.30	381,389.79
War Memorial & Opera House	28,081.25		21,470.65	6,610.60	5,436,015.04	463,187.20	4,810,914.29	161,913.55
Parks & Squares	44,128,856.56	169,036.44	3,580,378.16	379,441.96	31,004,173.77	21,015,752.79	9,152,367.33	836,053.65
Auditorium	280,091.47		250,451.80	29,636.67	2,586,381.18	701,137.00	1,777,243.69	107,600.49
Golf Links	1,113,115.07	745,205.18	367,909.89		1,971,225.97	745,205.18	1,226,020.49	
Kezar Stadium	497,217.96	125,822.68	371,395.28		1,281,331.51	222,831.48	1,058,503.03	
Exhibit Hall	169,304.97		157,170.69	12,134.28	169,304.97		157,170.69	12,134.28
OTHER								
Central Warehouse & Corporation Yard	1,038,364.77	320,616.47	717,748.30		1,337,763.90	484,459.64	844,822.81	8,481.45
Retirement System	44.65			44.65	20,679.44	15,525.00	4,000.00	1,154.44
Miscellaneous	432,110.63	122,786.91*	244,882.69	310,014.78	808,221.79	81,739.98	295,448.84	431,032.97
TOTAL	$185,618,387.76	$13,793,611.13	$158,067,729.53	$13,757,047.10	$424,252,367.39	$65,518,803.05	$325,991,528.08	$32,742,036.26

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1948 TO JUNE 30, 1958

	Total	Land	Buildings, Structures & Improvements	Equipment
SOURCE OF FUNDS:				
CURRENT FUNDS:				
General Fund	$ 12,933,712.64	$ 313,478.86	$ 6,506,786.76	$ 6,113,447.02
Recreation - Park	3,517,464.80	1,200,538.79	2,020,739.50	296,186.51
Library	494,759.43	23,878.19	394,375.09	76,506.15
War Memorial	44,832.37		41,345.26	3,487.11
California Palace of the Legion of Honor	169,347.65		149,873.28	19,504.37
de Young Memorial Museum	491,002.95		426,629.44	64,373.51
Publicity and Advertising	300.00			300.00
Special Gas Tax Street Improvement	11,609,678.63	3,562,491.97	8,035,102.01	12,084.65
Special Road Improvement	10,429,218.47	929,681.15	9,332,038.51	167,498.81
San Francisco Unified School District	10,542,742.94	1,751,686.01	4,719,580.93	4,041,476.00
Special Accumulative Building Fund - Schools	466,830.41	409,646.50	57,183.91	
Child Care Centers	49,517.20			49,517.20
Capital Improvements	275,684.26		275,684.26	
	$ 51,025,121.75	$ 8,191,401.47	$ 31,989,338.95	$10,844,381.33
CAPITAL FUNDS:				
Real Property - General City	$ 1,340,421.88*	$ 1,101,131.05*	$ 239,290.83*	
Real Property - S.F.U.S.D.	31,548.37	433,920.56	402,372.19*	
1927 Boulevard Bonds	129,015.29	4,104.15*	133,119.44	
1933 Sewer Bonds	15,838.85	30.00	15,808.85	
1938 Hospital Bonds	4,354.55		4,354.55	
1942 Fire Protection Bonds	327,623.58		2,581.34*	$ 330,204.92
1944 Sewer Bonds	17,909,149.14	6,097.65*	17,911,663.85	3,852.94
1944-48 Juvenile Home & Court Bonds	4,252,930.78		4,194,981.01	57,949.77
1947 Street Improvement Bonds	17,855,960.93	308,433.53	17,544,211.05	3,316.35
1947 Recreation Bonds	11,662,423.90	1,075,633.40	10,586,790.50	
1947 Off-Street Parking Bonds	2,870,696.26	2,513,881.15	58,902.71	267,949.40
1948 Sewage Treatment Bonds	44,449,891.03	75,988.98	44,333,086.21	40,815.84
1948 School Bonds	48,398,175.90	950,830.33	45,363,385.43	2,083,960.14
1952 Firehouse Bonds	4,179,651.72	229,161.23	3,950,432.88	57.61
1954 Laguna Honda Home Bonds	3,970,541.55		3,886,354.40	84,187.15
1954 Sewer Bonds	2,889,562.37	10,641.15	2,878,863.86	57.36
1954 San Francisco Hospital Bonds	1,222,917.72		1,185,726.11	37,191.61
1954 Exhibit Hall Bonds	215,317.19		215,317.19	
1955 Playgrounds & Recreation Centers Bonds	1,509,342.15	2,053.51	1,505,260.11	2,028.53
1956 Hall of Justice Bonds	1,204,499.83	786,658.89	417,194.74	646.20
1956 School Bonds	479,743.72	225,354.02	254,359.70	
	$132,239,002.95	$ 5,531,216.90	$123,795,567.93	$ 2,912,218.12
TRUST FUNDS:				
State Highway	$ 2,338,815.41	$ 55,992.76	$ 2,282,822.65	
Retirement System	447.65			$ 447.65
Sigmund Stern Donation	15,000.00	15,000.00		
	$ 2,354,263.06	$ 70,992.76	$ 2,282,822.65	$ 447.65
TOTAL ADDITIONS	$185,618,387.76	$13,793,611.13	$158,067,729.53	$13,757,047.10

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1948-49 to 1958-59

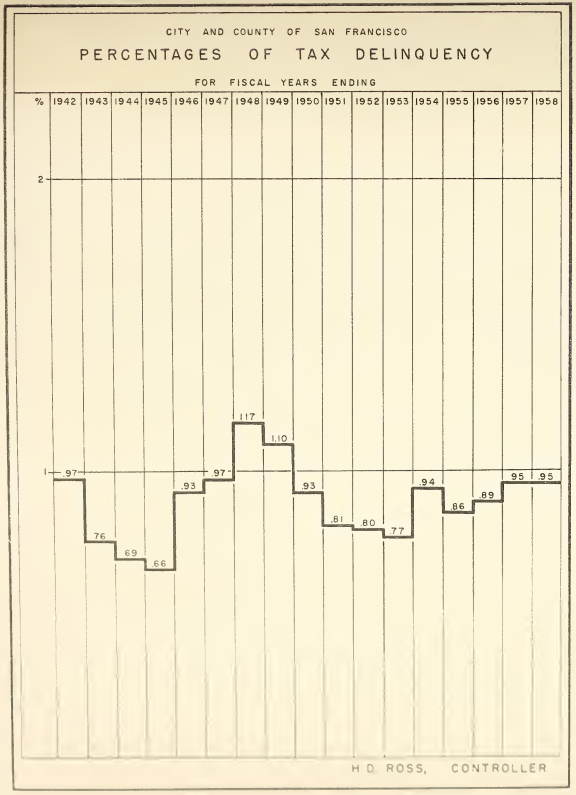
	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value subject To City & Co. Ad Valorem	Rate	Total Secured	Total
1948-49 Unsecured - City and County Assessor	.....	.....	176,254,123	2,170,550	174,083,573	5.82	[illegible]	[illegible]
Secured - City and County Assessor	333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	[illegible]	[illegible]
Secured - State Board of Equalization	11,566,170	49,385,230	35,695,010	.....	96,646,410	6.09	[illegible]	[illegible]
Total	$345,074,054	$475,447,470	$219,002,023	$39,440,340	$1,000,083,207		$[illegible]	$[illegible]
1949-50 Unsecured - City and County Assessor	.....	.....	187,081,075	2,368,931	184,712,144	6.09	413,902,218	[illegible]
Secured - City and County Assessor	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,466,[illegible]	[illegible]
Secured - State Board of Equalization	11,634,050	60,688,540	40,147,520	.....	112,470,110	5.66	34,[illegible]	[illegible]
Total	$349,961,572	$507,786,005	$235,225,381	$42,142,642	$1,050,830,316		$458,228,[illegible]	$[illegible]
1950-51 Unsecured - City and County Assessor	.....	.....	174,987,355	2,460,275	172,527,080	5.66	446,958,[illegible]	[illegible]
Secured - City and County Assessor	338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,[illegible]	[illegible]
Secured - State Board of Equalization	11,594,320	64,845,380	38,418,540	.....	114,858,240	6.29	41,[illegible]	[illegible]
Total	$350,080,400	$533,283,270	$223,779,507	$45,448,600	$1,061,694,577		$496,[illegible]	$[illegible]
1951-52 Unsecured - City and County Assessor	.....	.....	199,089,454	2,242,564	196,846,890	6.29	541,[illegible]	[illegible]
Secured - City and County Assessor	340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,[illegible]	[illegible]
Secured - State Board of Equalization	15,762,340	66,620,930	41,853,110	.....	124,236,380	6.19	58,[illegible]	[illegible]
Total	$356,201,420	$559,588,370	$254,433,380	$48,746,094	$1,121,477,076		$609,095,[illegible]	$[illegible]
1952-53 Unsecured - City and County Assessor	.....	.....	220,812,645	2,086,937	218,725,708	6.19	571,045,[illegible]	[illegible]
Secured - City and County Assessor	348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	8,388,[illegible]	[illegible]
Secured - State Board of Equalization	16,714,810	67,703,770	44,590,910	.....	129,009,490	5.67	50,655,[illegible]	[illegible]
Total	$365,375,775	$598,696,005	$278,198,386	$47,068,511	$1,195,201,655		$630,089,[illegible]	$[illegible]
1953-54 Unsecured - City and County Assessor	.....	.....	232,302,098	2,014,395	230,287,703	5.67	598,586,[illegible]	[illegible]
Secured - City and County Assessor	350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,[illegible]	[illegible]
Secured - State Board of Equalization	16,799,640	68,685,230	47,872,160	.....	133,357,030	6.27	59,132,[illegible]	[illegible]
Total	$367,620,217	$617,390,288	$288,288,894	$51,925,928	$1,221,373,471		$663,[illegible]	$[illegible]
1954-55 Unsecured - City and County Assessor	.....	.....	233,165,805	2,385,376	230,780,429	6.27	658,769,[illegible]	[illegible]
Secured - City and County Assessor	351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	11,[illegible]	[illegible]
Secured - State Board of Equalization	16,750,680	72,376,320	49,673,340	.....	138,800,340	6.85	55,227,[illegible]	[illegible]
Total	$368,547,795	$634,445,990	$291,972,467	$55,985,340	$1,238,980,912		$725,[illegible]	$[illegible]
1955-56 Unsecured - City and County Assessor	.....	.....	235,577,520	2,253,342	233,324,187	6.85	715,[illegible]	[illegible]
Secured - City and County Assessor	353,884,456	582,012,805	9,090,434	54,527,921	890,459,774	7.02	7,[illegible]	[illegible]
Secured - State Board of Equalization	16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	58,[illegible]	[illegible]
Total	$370,834,986	$656,552,135	$293,591,673	$56,781,263	$1,264,197,531		$782,[illegible]	$[illegible]
1956-57 Unsecured - City and County Assessor	.....	.....	251,560,750	2,791,079	248,769,671	7.02	796,[illegible]	[illegible]
Secured - City and County Assessor	353,996,820	606,234,380	8,902,349	57,862,613	911,270,936	7.06	8,[illegible]	[illegible]
Secured - State Board of Equalization	18,011,480	77,302,980	50,165,830	.....	145,480,290	7.06	54,[illegible]	[illegible]
Total	$372,008,300	$683,537,360	$310,628,929	$60,653,692	$1,305,520,897		$859,[illegible]	$[illegible]
1957-58 Unsecured - City and County Assessor	.....	.....	263,114,805	3,562,157	259,552,648	7.06	835,[illegible]	[illegible]
Secured - City and County Assessor	356,155,315	622,670,687	10,275,298	59,422,666	929,678,634	7.37	9,241,[illegible]	[illegible]
Secured - State Board of Equalization	19,902,920	79,799,130	50,925,980	.....	150,628,030	7.37	73,[illegible]	[illegible]
Total	$376,058,235	$702,469,817	$324,316,083	$62,984,823	$1,339,859,312		$927,[illegible]	$[illegible]
1958-59 Unsecured - City and County Assessor	.....	.....	267,120,112	4,380,414	262,739,698	7.37	844,[illegible]	[illegible]
Secured - City and County Assessor	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.55	7,[illegible]	[illegible]
Secured - State Board of Equalization	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.55	26,[illegible]	[illegible]
Total	$374,798,145	$727,511,680	$327,940,981	$65,344,723	$1,364,906,083		$[illegible]	$[illegible]

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1949-50 to 1958-59

	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
General Fund - Charter Limit $1.65	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736	1.118449	1.243634	1.311502
General Fund - Other Necessary Expenditures Not Limited	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325	2.197722	2.202347	2.280775
Unified School District	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236	1.972106	2.043149	1.825645
Recreation	.126423	.....	.....	.....	.....	.....	.....	.....	.....	.....
Park	.203699	.....	.....	.....	.....	.....	.....	.....	.....	.....
Recreation and Park	.....	.333286	.308968	.300406	.333419	.308652	.342745	.386349	.380491	.446001
Library	.079214	.103886	.083429	.084568	.086696	.093976	.103168	.101886	.110176	.113349
Employees' Retirement	.761183	.728602	.768251	.727307	.774782	.868473	.858667	.942984	.993125	.959527
Bond Interest and Redemption	.232312	.257541	.225908	.166542	.184849	.309244	.287207	.020527	.078257	.059917
de Young Museum	.019540	.041135	.020559	.025020	.035008	.023888	.025787	.031897	.024192	.027594
California Palace of the Legion of Honor	.015458	.015651	.017172	.016888	.018072	.018568	.017771	.018213	.018806	.018640
War Memorial	.017742	.021101	.016755	.017447	.017548	.018690	.018530	.021774	.022137	.022564
Publicity and Advertising	.026161	.026098	.024423	.022763	.022529	.021227	.020999	.020228	.019763	.019423
Tax Judgments	.....	.....	.....	.....	.....	.....	.002842	.....	.....	.....
Child Care Centers	.....	.....	.008818	.014731	.016049	.008877	.014446	.015999	.019054	.014711
Special Election Fund	.....	.000100	.....	.000267	.....	.....	.....	.....	.....	.....
Bay Area Air Pollution Control Dist.	.....	.....	.....	.....	.....	.....	.....	.004128	.008536	.009394
Lighting Public Streets and Buildings	.093146	.103213	.096888	.095479	.106698	.103809	.099317	.104257	.079450	.084835
Airport	.203735	.190286	.118155	.137666	.116020	.161256	.040926	.004129	.....	.....
Municipal Railway	.....	.119469	.170008	.....	.....	.206237	.254298	.099352	.126883	.339123
P.U.C. Purchase of California St. Cable R. R. Co.	.....	.016870	.....	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Butano Forest	.....	.....	.....	.....	.010090	.....	.....	.....	.....	.....
Total	5.66	6.29	6.19	5.67	6.27	6.85	7.02	7.06	7.37	7.533
S. F. Bay Area Rapid Transit District	.....	.....	.....	.....	.....	.....	.....	.....	.....	.017



CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1957-58

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%	Uncollected at June 30, 1958 Amount	%
1931-32	$32,714,463	$ 718,830	2.20	$15,789	.05
1932-33	31,752,726	1,706,561	5.37	228,755	.72
1933-34	26,583,270	1,316,809	4.95	159,910	.60
1934-35	28,808,183	958,096	3.33	25,373	.09
1935-36	30,634,662	612,784	2.00	23,349	.08
1936-37	30,986,643	449,704	1.45	19,264	.06
1937-38	31,994,075	483,081	1.50	29,645	.09
1938-39	33,337,812	442,132	1.32	18,125	.05
1939-40	32,575,922	390,407	1.19	27,053	.08
1940-41	35,162,785	367,339	1.04	41,753	.12
1941-42	36,469,225	354,994	.97	66,132	.18
1942-43	37,469,083	288,158	.76	60,436	.16
1943-44	36,797,771	254,508	.69	48,353	.13
1944-45	39,647,406	262,652	.66	32,426	.08
1945-46	41,184,389	380,975	.93	36,746	.09
1946-47	47,374,328	457,779	.97	47,916	.10
1947-48	51,718,354	602,680	1.17	89,096	.17
1948-49	60,779,270	669,631	1.10	100,095	.16
1949-50	60,858,563	567,617	.93	82,228	.14
1950-51	66,522,057	537,393	.81	68,553	.10
1951-52	70,596,215	561,703	.80	98,863	.14
1952-53	69,947,162	539,325	.77	97,118	.14
1953-54	76,082,542	716,632	.94	127,439	.17
1954-55	84,509,028	724,612	.86	161,023	.19
1955-56	89,391,123	799,165	.89	244,939	.27
1956-57	93,280,375	882,671	.95	380,224	.41
1957-58	99,165,664	942,150	.95	942,150	.95

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1958 - 59

	Valuation	Tax Yield	Rate per $100
Taxes on Property Assessed by City & County: Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	$ 993,354,625		
Tangible Personal Property	8,886,359		
Less Veterans' and Welfare Exemptions	60,964,309		
	941,276,675	$ 71,066,710.16	7.55
Solvent Credits	2,776,669	2,776.28	.10
Total	944,053,344	71,069,486.44	
Unsecured Personal Property (Collected):			
Tangible Personal Property	120,453,771		
Less Veterans' and Welfare Exemptions	4,028,048		
	116,425,723	8,580,617.20	7.37
Solvent Credits	343,319,418	343,321.74	.10
Total	459,745,141	8,923,938.94	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	146,666,341		
Less Veterans' and Welfare Exemptions	352,366		
	146,313,975	10,783,360.76	7.37
Solvent Credits	200,986,231	200,987.29	.10
Total	347,300,206	10,984,348.05	
Total Assessed by City and County Assessor	1,751,098,691	90,977,773.43	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	108,955,200		
Tangible Personal Property	51,934,510	12,147,173.20	7.55
Solvent Credits	26,533,800	26,533.80	.10
Total Assessed by State Board of Equalization	187,423,510	12,173,707.00	
Total of above Assessments	$1,938,522,201		
Total Tax Yield		103,151,480.43	
Reassessments		673.60	7.37
TOTAL TAX YIELD		$103,152,154.03	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AS AT JUNE 30, 1958

(Based upon 1958-59 Assessment Roll)

(Excluding Bonding Capacity of S.F. Unified School District) (1)

Maximum Limit:

12% of the 1958-59 Assessment Roll	($1,938,522,201)	$232,622,664

Bonded Debt Unmatured June 30, 1958:

Total	$ 220,400,000	
Exempt From 12% Limit (2)	52,626,000	167,774,000
Limit of Future Bond Sales (Subject to 12% Limit)		$ 64,848,664

Unissued (Unsold) Bonds, June 30, 1958:

	Subject to 12% Limit	Exempt from 12% Limit	Total
1947 Street Improvements	$ 1,400,000		
1952 Firehouse	550,000		
1954 Sewers	5,645,000		
1954 San Francisco Hospital	2,830,000		
1955 Playgrounds & Recreation Centers	4,000,000		
1955 Hetch Hetchy Power	27,000,000		
1956 Hall of Justice	16,500,000		
1956 Schools	21,000,000		
1956 Airport	14,800,000		
1958 Recreation and Park	1,575,000		
	$ 95,300,000	-0-	$ 95,300,000

(1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a city and a county.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college school districts.

The Education Code of the State of California, Section 4714, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

(2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
(a) For water supply, storage or distribution purposes.
(b) For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (None issued)

ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1958

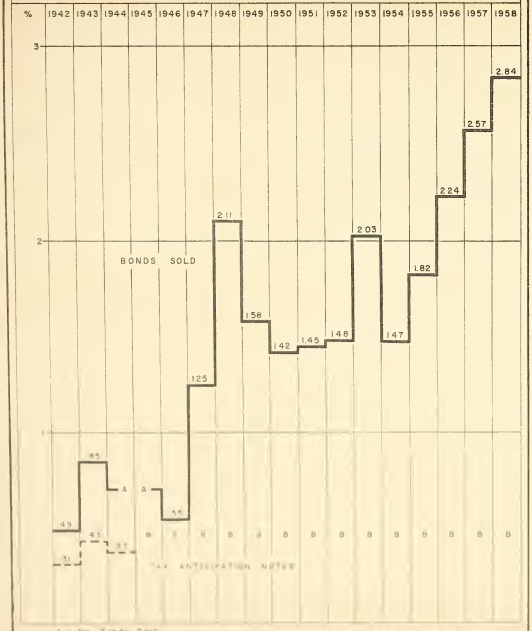
Fiscal Year	Grand Total	General City, Including S. F. Unified School District			Public Service Enterprises		
		Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1958-59	$ 25,500,005.00	$ 12,962,437.50	$ 10,406,000	$ 2,556,437.50	$ 12,537,567.50	$ 9,284,000	$ 3,253,567.50
1959-60	24,922,196.25	12,780,398.75	10,511,000	2,269,398.75	12,141,797.50	9,164,000	2,977,797.50
1960-61	23,732,456.25	12,633,948.75	10,621,000	2,012,948.75	11,098,507.50	8,399,000	2,699,507.50
1961-62	23,912,961.25	12,567,411.25	10,786,000	1,781,411.25	11,345,550.00	8,915,000	2,430,550.00
1962-63	24,133,388.75	12,445,653.75	10,885,000	1,560,653.75	11,687,735.00	9,539,000	2,148,735.00
1963-64	22,989,675.00	12,023,060.00	10,687,000	1,336,060.00	10,966,615.00	9,106,000	1,860,615.00
1964-65	21,149,350.00	11,410,725.00	10,292,000	1,118,725.00	9,738,625.00	8,141,000	1,597,625.00
1965-66	18,662,686.25	11,079,410.00	10,161,000	918,410.00	7,583,276.25	6,203,000	1,380,276.25
1966-67	13,867,793.75	7,310,962.50	6,600,000	710,962.50	6,556,831.25	5,360,000	1,196,831.25
1967-68	13,234,723.75	6,855,125.00	6,300,000	555,125.00	6,379,598.75	5,360,000	1,019,598.75
1968-69	11,086,085.00	5,471,912.50	5,050,000	421,912.50	5,614,172.50	4,770,000	844,172.50
1969-70	9,760,102.50	4,670,862.50	4,365,000	305,862.50	5,089,240.00	4,410,000	679,240.00
1970-71	8,777,520.00	3,939,337.50	3,740,000	199,337.50	4,838,182.50	4,310,000	528,182.50
1971-72	6,153,425.00	2,728,950.00	2,625,000	103,950.00	3,424,475.00	3,020,000	404,475.00
1972-73	4,110,575.00	1,753,650.00	1,720,000	33,650.00	2,356,925.00	2,045,000	311,925.00
1973-74	1,772,050.00				1,772,050.00	1,525,000	247,050.00
1974-75	1,717,975.00				1,717,975.00	1,525,000	192,975.00
1975-76	1,663,900.00				1,663,900.00	1,525,000	138,900.00
1976-77	1,609,825.00				1,609,825.00	1,525,000	84,825.00
1977-78	1,555,750.00				1,555,750.00	1,525,000	30,750.00
	$260,312,443.75	$130,633,845.00	$114,749,000	$15,884,845.00	$129,678,598.75	$105,651,000	$24,027,598.75

Unsold bonds at June 30, 1958 in the amount of $95,300,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING



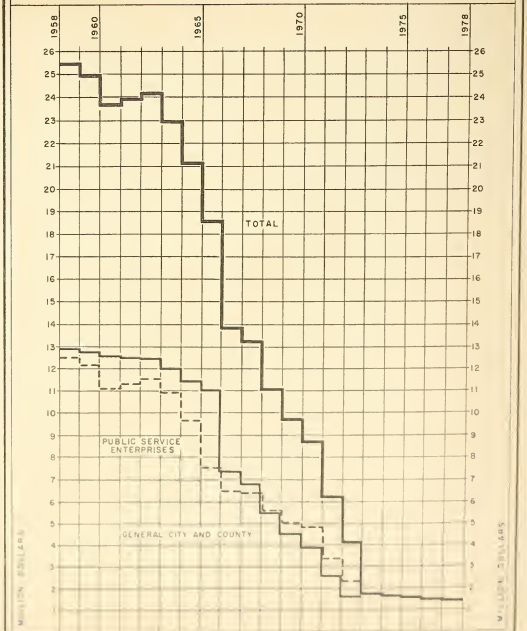
A - No Bonds Sold
B - No Tax Anticipation Notes Sold

H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING



H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1949-50 to 1958-59

SOURCE OF REVENUES:	FISCAL YEAR ENDED JUNE 30									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
General City Issues:										
Taxes	$ 2,650,025	$ 2,690,858	$ 2,595,777	$ 2,120,382	$ 2,215,536	$ 3,544,397	$ 3,682,287	$ 931,400	$ 898,700	$ 866,000
Capital Improvement Fund	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962	8,396,295	9,633,261	12,703,938
Surplus	136,932	.....	.....	.....	.....	.....	.....	.....	.....	.....
	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695	10,531,961	13,569,938
Public Service Enterprises:										
Utility Earnings:										
Water Department	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649	6,683,871	7,094,581
Hetch Hetchy Project	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130	1,011,915	1,339,249
Municipal Railway	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....	.....	.....	.....
Airport	.....	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939	1,946,788	2,311,853
Capital Improvement Fund (via Utility)	1,166,765	968,202	620,151	.....	.....	.....	.....	2,992,167	1,826,756	1,932,160
Taxes (via Utility)	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442	.....	.....
	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327	11,469,330	12,677,843
Total Budgeted Requirements	$17,760,577	$19,082,099	$18,858,697	$18,922,395	$19,063,544	$20,403,419	$20,461,549	$21,016,022	$22,001,291	$26,247,781

Office of the Controller

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REPORT ON EXAMINATION

FOR THE FISCAL YEAR ENDED

JUNE 30, 1958

CABLE: AMDIT, NEW YORK

RESIDENT PARTNERS
HAROLD A. KELLOGG, C.P.A.
ROBERT H. PERRY, C.P.A.
LEONARD M. TICE, C.P.A.
ALFRED W. GALLAGHER, C.P.A.

F. W. LAFRENTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS
525 MARKET STREET · SAN FRANCISCO 5

December 1, 1958

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Gentlemen:

In accordance with your resolution No. 963-58, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1958. The financial statements, attached hereto, are as follows:

Exhibit

- A Combined proprietary balance sheet, June 30, 1958
- B Proprietary balance sheet, Public Service Enterprises, June 30, 1958
- C Statement of revenues, expenditures and current surplus, General City, June 30, 1958
- D Statement of revenues, expenses and surplus, Public Service Enterprises, June 30, 1958
- E Statement of capital surplus, General City, June 30, 1958
- F Summary of properties, June 30, 1958
- G Statement of bonded indebtedness, June 30, 1958

Notes to financial statements, June 30, 1958

Individual fund balance sheets, June 30, 1958:

- H Summary
- I Current funds
- J Capital
- K Retirement and other public trust funds
- L Private trust funds
- M Assessment, redemption and agency funds
- N Public Service Enterprises
- O Reconciliation of proprietary balance sheet with fund balance sheets, June 30, 1958

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller, but are maintained in the offices of the respective enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances. We did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as of June 30, 1958, by other auditors as follows:

By other independent accountants:
San Francisco Unified School District (a separate political entity)

By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

We have also included certain data with respect to the City and County of San Francisco Employees' Retirement System. The accounts of the Employees' Retirement System are being examined by other independent accountants and at the date of this report, their examination had not been completed.

OPINION

In our opinion, based on the scope of examination previously described, the accompanying statements, together with the notes thereto, present fairly the position

at June 30, 1958, and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

F. W. Lafrentz + Co.

CITY AND COUNTY OF SAN FRANCISCO

AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1958

ASSETS	Total	Public Service Enterprises	General City and County - Total	General City and County - Current Funds	General City and County - Capital Funds	General City and County - Trust and Assessment Funds
Fixed capital:						
Properties - Exhibit F	$764,413,834	$340,161,467	$424,252,367		$424,252,367	
Less reserve for depreciation	(106,521,661)	(106,521,661)				
	$657,892,173	$233,639,806	$424,252,367		$424,252,367	
Cash:						
On deposit with Treasurer	$144,741,032	$ 48,843,105	$ 95,897,927	$45,662,502	$ 34,220,726	$ 16,014,699
Cash in transit	2,500,430	23,655	2,476,775			2,476,775
Imprest funds	104,400	52,650	51,750	51,750		
	$147,345,862	$ 48,919,410	$ 98,426,452	$45,714,252	$ 34,220,726	$ 18,491,474
Accounts receivable:						
Taxes receivable, current year	$ 942,151		$ 942,151	$ 942,151		
Taxes receivable, prior years	2,350,002		2,350,002	2,350,002		
Penalties, costs and interest	279,752		279,752	279,752		
Franchise taxes	1,797,814		1,797,814	1,797,814		
Federal and state subventions	4,364,220		4,364,220	4,364,220		
Other accounts receivable	8,672,303	$ 2,062,434	6,609,869	4,863,292		$ 1,746,577
	$ 18,406,242	$ 2,062,434	$ 16,343,808	$14,597,231		$ 1,746,577
Less reserves for:						
Unsecured delinquent taxes and penalties	$ 2,424,556		$ 2,424,556	$ 2,424,556		
Other accounts receivable	3,216,016	$ 89,788	3,126,228	3,126,228		
	$ 5,640,572	$ 89,788	$ 5,550,784	$ 5,550,784		
	$ 12,765,670	$ 1,972,646	$ 10,793,024	$ 9,046,447		$ 1,746,577
Federal aid for public improvements:						
Grants receivable (estimated in part)	$ 337,757	$ 212,703	$ 125,054	$ 125,054		
Less reserve for grants receivable (estimated)	125,054		125,054	125,054		
	$ 212,703	$ 212,703	-0-	-0-		
Investments:						
Securities	$209,764,689		$209,764,689			$209,764,689
Other	49,340		49,340			49,340
	$209,814,029		$209,814,029			$209,814,029
Lease guarantee and other deposits	$ 128,475		$ 128,475			$ 128,475
Interfund accounts (contra)	$ 5,161,992	$ 862,281	$ 4,299,711	$ 3,277,511		$ 1,022,200
Deferred charges:						
Materials and supplies	$ 2,465,951	$ 1,300,771	$ 1,165,180	$ 1,165,180		
Other deferred charges	41,855,834	21,628,398	20,227,436	8,183,060	$ 11,918,771	$ 125,605
	$ 44,321,785	$ 22,929,169	$ 21,392,616	$ 9,348,240	$ 11,918,771	$ 125,605

CITY AND COUNTY OF SAN FRANCISCO

AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1958

LIABILITIES	Total	Public Service Enterprises	General City and County: Total	General City and County: Current Funds	General City and County: Capital Funds	Trust and Assessment Funds
Bonded debt:						
Unmatured - Exhibit G	$ 220,400,000	$105,651,000	$114,749,000	$ 200,000	$114,549,000	
Matured and unpaid	29,200	22,200	7,000	7,000		
	$ 220,429,200	$105,673,200	$114,756,000	$ 207,000	$114,549,000	
Bond interest:						
Accrued, not due	$ 1,894,517	$ 1,179,576	$ 714,941	$ 714,941		
Matured and unpaid	65,534	51,094	14,440	14,440		
	$ 1,960,051	$ 1,230,670	$ 729,381	$ 729,381		
Accounts payable:						
Accounts and contracts payable	$ 46,304,548	$ 22,566,034	$ 23,738,514	$13,597,744	$ 9,726,242	$ 414,528
Outstanding warrants and payroll deductions	7,558,485	634,662	6,923,823	3,087,947	102,796	3,733,080
Other accruals, deposits and advances	232,719	232,719				
	$ 54,095,752	$ 23,433,415	$ 30,662,337	$16,685,691	$ 9,829,038	$ 4,147,608
Interfund accounts (contra)	$ 5,161,992	$ 1,013,278	$ 4,148,714	$ 1,100,908	$ 2,030,783	$ 1,017,023
Deferred credits:						
Personal property taxes for year 1958-59	$ 5,809,753		$ 5,809,753	$ 5,809,753		
Other deferred credits	3,269,935	$ 760,267	2,509,668	2,509,668		
	$ 9,079,688	$ 760,267	$ 8,319,421	$ 8,319,421		
Reserves:						
Reserve for accidents	$ 2,668,251	$ 2,668,251				
Other reserves	917,674	754,118	$ 163,556	$ 35,081		$ 128,475
	$ 3,585,925	$ 3,422,369	$ 163,556	$ 35,081		$ 128,475
Trust and assessment fund balances	$ 226,035,254		$226,035,254			$226,035,254
Surplus:						
Public Service Enterprises - Exhibit D	$ 173,002,316	$173,002,816				
General City - current - Exhibit C	40,308,968		$ 40,308,968	$40,308,968		
General City - capital - Exhibit E	343,983,043		343,983,043		$343,983,043	
	$ 557,294,827	$173,002,816	$384,292,011	$40,308,968	$343,983,043	
Total	$1,077,642,689	$308,536,015	$768,106,674	$67,356,450	$470,391,864	$231,349,360

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1958

ASSETS	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Fixed capital:						
In service	$330,786,257	$105,061,154	$36,702,738	$134,531,030	$50,588,264	$3,903,071
Not in service	919,274	860,583		58,691		
Less reserve for depreciation	(106,521,661)	(35,608,301)	(21,606,256)	(39,365,195)	(9,941,909)	
	$225,183,870	$ 70,313,436	$15,096,482	$ 95,224,526	$40,646,355	$3,903,071
Under construction	8,455,936	1,821,398	35,067	4,846,429	1,750,881	2,161
	$233,639,806	$ 72,134,834	$15,131,549	$100,070,955	$42,397,236	$3,905,232
Cash:						
On deposit with Treasurer	$ 48,843,105	$ 7,186,801	$ 2,969,858	$ 27,899,911	$10,459,223	$ 327,312
Cash in transit	23,655			23,655		
Imprest funds	52,650	30,000	15,000	4,000	2,500	1,150
	$ 48,919,410	$ 7,216,801	$ 2,984,858	$ 27,927,566	$10,461,723	$ 328,462
Accounts receivable:						
Revenues accrued and other receivables	$ 2,062,434	$ 1,209,406	$ 65,212	$ 282,072	$ 493,499	$ 12,245
Less reserve for other receivables	89,788	33,016			44,527	12,245
	$ 1,972,646	$ 1,176,390	$ 65,212	$ 282,072	$ 448,972	-0-
Federal aid for public improvement:						
Grants receivable	$ 212,703				$ 212,703	
Interfund accounts:						
Due from General City	$ 410,087		$ 11,528	$ 20,775		$ 377,784
Due from Public Service Enterprises (contra)	452,194	$ 12,415	2,990	326,467	$ 2,870	107,452
	$ 862,281	$ 12,415	$ 14,518	$ 347,242	$ 2,870	$ 485,236
Deferred charges:						
Materials and supplies	$ 1,300,771	$ 592,048	$ 636,261	$ 46,006	$ 18,174	$ 8,282
Other deferred charges	21,628,398	2,682,707	2,852,215	13,655,397	2,401,530	36,549
	$ 22,929,169	$ 3,274,755	$ 3,488,476	$ 13,701,403	$ 2,419,704	$ 44,831
Total	$308,536,015	$ 83,815,195	$21,684,613	$142,329,238	$55,943,208	$4,763,761

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1958

LIABILITIES	Total	Warrants Issued After June 30, 1958	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Bonded debt:							
Unmatured	$105,651,000		$20,049,932	$ 9,036,000	$ 59,326,068	$17,239,000	
Matured and unpaid	22,200		16,000	200	6,000		
	$105,673,200		$20,065,932	$ 9,036,200	$ 59,332,068	$17,239,000	
Bond interest:							
Accrued, not due	$ 1,179,576		$ 292,500	$ 67,271	$ 746,944	$ 72,861	
Matured and unpaid	51,094		6,660	2,128	40,637	1,669	
	$ 1,230,670		$ 299,160	$ 69,399	$ 787,581	$ 74,530	
Accounts payable:							
Accounts and contracts payable	$ 22,566,034	$2,102,603	$ 2,694,154	$ 1,047,238	$ 14,082,446	$ 2,587,061	$ 52,532
Outstanding warrants and payroll deductions	634,662	(2,102,603)	389,531	1,058,508	766,078	415,682	107,466
Accruals due United States Government	13,062			13,062			
Consumers' deposits and construction advances	217,017		215,228		1,789		
Accrued salaries and wages	2,640			2,640			
	$ 23,433,415	-0-	$ 3,298,913	$ 2,121,448	$ 14,850,313	$ 3,002,743	$ 159,998
Interfund accounts:							
Due to General City	$ 561,084		$ 137,831	$ 290,041	$ 68,283	$ 48,209	$ 16,720
Due to Public Service Enterprises (contra)	452,194		75,235	65,011	1,113	79,138	231,697
	$ 1,013,278		$ 213,066	$ 355,052	$ 69,396	$ 127,347	$ 248,417
Deferred credits	$ 760,267			$ 39,115		$ 279,079	$ 442,073
Reserves:							
Reserve for accidents	$ 2,668,251			$ 2,668,251			
Other reserves	754,118		$ 576,151	161,645	$ 16,322		
	$ 3,422,369		$ 576,151	$ 2,829,896	$ 16,322		
Surplus - Exhibit D	$193,002,816		$59,361,273	$ 7,233,504	$ 67,273,558	$35,220,509	$3,913,223
Total	$304,536,015	-0-	$83,815,155	$21,684,613	$142,329,238	$55,943,208	$4,763,761

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	Year Ended June 30, 1958	Year Ended June 30, 1957
REVENUES:		
Property taxes, penalties, interest and costs	$ 99,074,852	$ 93,181,568
State and federal subventions	50,802,288	46,695,346
Departmental service charges, etc.	9,562,237	8,757,344
Retail purchase and use tax	13,197,860	11,305,306
Fines, forfeitures, and penalties other than from property taxes	3,094,354	2,937,851
Franchise taxes	371,404	607,282
Licenses	660,576	663,530
Bank interest	1,020,829	699,822
Rentals from non-operating school property	355,342	355,847
Housing authority in lieu of taxes	166,774	129,980
Other	140,254	82,276
Transfer from capital accounts	242,955	429,641
State of California for restoration of Children's Building		5,000
Contribution for cobalt unit, cancer patients, San Francisco Hospital	45,000	
Total revenues	$178,734,725	$165,850,793
EXPENDITURES:		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	$ 12,501,200	$ 10,787,773
Public safety	25,867,480	24,483,491
Highways	3,770,786	3,569,748
Sanitation	4,016,225	3,683,729
Health conservation	3,343,925	3,208,255
Hospitals	8,608,356	8,139,225
Public welfare	26,997,651	24,472,876
Corrections	2,578,233	2,278,679
Schools	40,743,782	37,832,750
Libraries	1,396,034	1,303,988
Recreation	6,933,718	6,132,717
Civil defense	176,758	230,611
Bond interest	2,297,474	1,835,093
Miscellaneous	18,779	190,333
Total departmental operating expenses, forward	$139,250,401	$128,149,268

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	Year Ended June 30, 1958	Year Ended June 30, 1957
EXPENDITURES (Continued):		
Total departmental operating expenses, forwarded	$139,250,401	$128,149,268
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	5,829,651	5,404,473
Bond redemptions	8,492,000	7,407,000
Others	28,869	361,500
Transfers to trust accounts	4,515	130,880
Assessments, Joint Highway District, No. 9	132,000	132,000
Contributions to Public Service Enterprises:		
San Francisco International Airport		1,323,029
Municipal Railway	3,452,414	3,405,329
Public Utilities Commission - heat, light and power bureau	70	186,436
Pension costs, Employees' Retirement System	16,167,712	17,142,220
Miscellaneous	1,503,347	(1,444,321)
Total expenditures	$174,860,979	$162,379,214
Net increase in current surplus	$ 3,873,746	$ 3,471,579
CURRENT SURPLUS:		
Current surplus as shown at beginning of year, per Controller's report	$ 36,317,628	$ 32,613,742
Add auditor's adjustments, preceding year	117,594	350,301
Current surplus at beginning of fiscal year after auditor's adjustment	$ 36,435,222	$ 32,963,643
Net increase in current surplus as shown above	3,873,746	3,471,579
Current surplus, end of fiscal year	$ 40,308,968	$ 36,435,222

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

JUNE 30, 1958

REVENUES AND EXPENSES	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Operating revenues	$ 47,385,393	$13,699,044	$19,842,118	$ 8,930,849	$ 3,420,381	$1,493,001
Operating expenses	42,381,556	9,812,921	22,788,616	5,632,318	2,654,700	1,493,001
Operating income or (loss)	$ 5,003,837	$ 3,886,123	$(2,946,498)	$ 3,298,531	$ 765,681	-0-
Other revenues:						
Interest earned	$ 79,649	$ 55,469	$ 24,180			
Rentals	369,075	340,512		$ 28,563		
Other	762,133	379,748	147,911	71,779	$ 162,695	
	$ 1,210,857	$ 775,729	$ 172,091	$ 100,342	$ 162,695	
Other expenses:						
Bond interest	$ 2,294,396	$ 724,963	$ 182,051	$ 1,275,916	$ 111,466	
Other	190,790	110,905	73,649	11,188	(4,952)	
	$ 2,485,186	$ 835,868	$ 255,700	$ 1,287,104	$ 106,514	
Net income or (loss)	$ 3,729,508	$ 3,825,984	$(3,030,107)	$ 2,111,769	$ 821,862	-0-
SURPLUS						
Balance, July 1, 1957	$165,049,592	$55,309,789	$ 6,811,196	$65,182,547	$33,803,762	$3,942,298
Adjustments, 1956-57	(33,581)					(33,581)
	$165,016,011	$55,309,789	$ 6,811,196	$65,182,547	$33,803,762	$3,908,717
Net income or (loss) as above	3,729,508	3,825,984	(3,030,107)	2,111,769	821,862	
Contributions from General City	3,452,484		3,452,414			70
Contributions from other sources	598,480			13,570	584,910	
Other additions	207,122	191,872			9,975	5,275
	$173,003,605	$59,327,645	$ 7,233,503	$67,307,886	$35,220,509	$3,914,062
Deduct:						
Contributions to Public Service Enterprises		$ (34,328)		$ 34,328		
Other deductions	$ 789					$ 789
	$ 789	$ (34,328)		$ 34,328		$ 789
Balance, June 30, 1958	$173,002,816	$59,361,973	$ 7,233,503	$67,273,558	$35,220,509	$3,913,273

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1958

Balance, July 1, 1957		$329,495,350
Add:		
Transfers from current accounts:		
Bond redemptions	$8,492,000	
Capital additions from revenues	5,829,651	
Other	28,869	14,350,520
Transfers from trust accounts:		
Capital additions - State Highway Trust		19,473
Profit on sale of capital assets:		
General City Departments	$ 90,950	
San Francisco Unified School District	265,457	356,407
Parking lot rentals:		
1947 off-street parking bonds		14,846
Contribution for Washington Square benches		1,000
Miscellaneous credits		2,545
		$344,240,141
Deduct:		
Capital funds transferred to current accounts	$ 242,955	
Adjustment of capital additions from revenues, prior years	14,143	257,098
Balance, June 30, 1958		$343,983,043

The accompanying notes to financial statements are an integral part hereof.

	Total	Land	Structures and Improvements	Equipment
General City and County of San Francisco, Unified School District:				
Current year additions, net:				
General Government:				
Civic Center including City Hall	$ 160,456		$ 39,206	$ 121,250
Public Safety:				
Fire Department	925,802	$ 134,506	586,250	205,046
Police Department	596,881	36,162	394,582	166,137
Department of Electricity	66,631		54,899	11,732
Highways:				
Streets, tunnels, bridges, etc.	3,281,456	489,987	2,732,747	58,722
Asphalt plant	477		477	
Off-street parking	112,590	110,764	1,826	
Sanitation:				
Sewers and sewer disposal plants	1,912,729	(385)	1,872,062	41,052
Street Cleaning Department	45,111			45,111
Health Conservation:				
Hassler Health Home	21,152		20,202	950
Civic Center Health Building	20,962			20,962
Hospitals:				
San Francisco Hospital	895,933		792,787	103,146
Emergency Hospitals	12,072		389	11,683
Public Welfare:				
Laguna Honda Home	2,155,160		2,048,365	106,795
Welfare Department	68,087		29,147	38,940
Corrections:				
County jails	10,241		10,241	
Youth Guidance Center	21,978		9,250	12,728
Juvenile Log Cabin Ranch	121,531		116,887	4,644
Schools	3,706,543	65,847	3,024,971	615,725
Libraries	181,627	(5,101)	159,199	27,529
Recreation:				
Playgrounds	712,151	29,796	584,429	97,926
Museums, art galleries, etc.	70,254		60,473	9,781
War Memorial and Opera House	12,441		12,135	306
Parks and Squares	1,558,034	162,750	1,345,909	49,375
Auditorium	152,524		145,513	7,011
Exhibit Hall	59,884		47,750	12,134
Golf Links	108,425		108,425	
Kezar Stadium	82,364		82,364	
Other:				
Central Warehouse and Corporation Yard	65,391	1,188	64,203	
Miscellaneous	23,173	(770)	3,063	20,880
	$ 17,162,060	$ 1,024,744	$ 14,347,751	$ 1,789,565
Prior years' additions	407,090,307	64,494,059	311,643,777	30,952,471
Total General City, forward	$424,252,367	$65,518,803	$325,991,528	$32,742,036

CITY AND COUNTY OF SAN FRANCISCO

AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES

JUNE 30, 1958

	Total
Total General City, forwarded	$424,252,367
Public Service Enterprises:	
Current year additions, net:	
Water Department	$ 2,291,517
Municipal Railway	(1,973,439)
Hetch Hetchy Project	4,290,869
San Francisco Airport	1,740,059
Public Utilities Commission	6,506
	$ 6,355,512
Prior years' additions	333,805,955
Total Public Service Enterprises	$340,161,467
Total properties, City and County of San Francisco	$764,413,834

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

	Date of Issue		Interest Rate Percent		
GENERAL CITY:					
Schools:					
1923 School	March	1, 1923	5	$ 2,700,000	
1948 School:					
Series A	March	1, 1949	1-1/2	3,000,000	
Series B	April	1, 1951	1-3/4	6,159,000	
Series C	March	1, 1952	1-1/2	7,360,000	
Series D	December	1, 1952	1-3/4	9,725,000	
Series E	August	1, 1953	2-1/2	3,520,000	
Series F	March	1, 1954	1-1/4 to 1-3/4	2,200,000	
Series G	April	1, 1955	1-3/4	3,700,000	
Series H	April	1, 1957	2-1/2 to 6	925,000	
1956 School:					
Series A	November	1, 1957	3 to 6	6,000,000	$ 44,289,000
Juvenile Court:					
1948 Juvenile Court and Detention Home:					
Series A	August	1, 1948	1-3/4	$ 217,000	
Series B	November	1, 1949	1-1/4 and 1-1/2	448,000	665,000
Boulevards and Roads:					
1931 Boulevards and Roads	February	1, 1931	4-1/2	$ 72,000	
1947 Street Improvements:					
Series B	August	1, 1949	1-1/4 and 1-1/2	973,000	
Series C	November	1, 1949	1-1/4 and 1-1/2	2,730,000	
Series D	September	1, 1950	1-1/4 and 1-1/2	464,000	
Series E	March	1, 1952	1-1/2	1,800,000	
Series F	December	1, 1952	1-3/4	875,000	
Series G	March	1, 1954	1 and 1-1/4	600,000	
Series H	January	1, 1956	2 to 6	1,180,000	
Series I	April	1, 1957	2-1/4 to 6	2,610,000	
Series J	May	1, 1958	2-1/4 and 2-1/2	1,500,000	12,804,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

	Date of Issue	Interest Rate Percent		
Sewers:				
1933 Sewer	December 1, 1933	4	$ 465,000	
1944 Sewer	February 1, 1948	2-1/2	2,665,000	
1948 Sewage Treatment:				
Series A	August 1, 1949	1-1/4 and 1-1/2	3,679,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	1,463,000	
Series C	March 1, 1952	1-1/2	1,440,000	
Series D	March 1, 1954	1 and 1-1/4	600,000	
Series E	January 1, 1956	2 to 6	950,000	
Series F	May 1, 1958	2-1/4 and 2-1/2	450,000	
1954 Sewer:				
Series A	January 1, 1956	2 to 6	2,370,000	
Series B	November 1, 1957	3 to 6	4,500,000	$ 18,582,000
Parks and Playgrounds:				
1931 Public Parks and Squares	February 1, 1931	4-1/2	$ 112,000	
1931 Playgrounds	February 1, 1931	4-1/2	16,000	
1947 Recreation:				
Series A	August 1, 1948	1-3/4	279,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	623,000	
Series C	September 1, 1950	1-1/4 and 1-1/2	1,224,000	
Series D	August 1, 1953	2-1/2	1,820,000	
Series E	April 1, 1955	1-3/4 and 5-1/4	1,010,000	
Series F	January 1, 1956	2 to 6	1,420,000	
Series G	April 1, 1957	2-1/4 to 6	1,095,000	
1954 Recreation Center:				
Series A	May 1, 1958	2-1/4 and 2-1/2	5,000,000	
1955 Playground and Recreation Centers:				
Series A	November 1, 1957	3 to 6	2,000,000	
Series B	May 1, 1958	2-1/4 and 2-1/2	1,000,000	15,599,000
Off-Street Parking:				
1947 Off-Street Parking:				
Series A	March 1, 1952	1-1/2	$ 360,000	
Series B	January 1, 1956	2 to 6	1,900,000	
Series C	May 1, 1958	2-1/4 and 2-1/2	2,000,000	4,260,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1958

	Date of Issue	Interest Rate Percent		
Hospitals:				
1954 San Francisco Hospital:				
Series A	January 1, 1956	2 to 6	$ 1,420,000	
Series B	November 1, 1957	3 to 6	1,500,000	
1954 Laguna Honda Home and Hospital:				
Series A	January 1, 1956	2 to 6	2,370,000	
Series B	April 1, 1957	2-1/4 to 6	2,335,000	
Series C	May 1, 1958	2-1/4 and 2-1/2	475,000	$ 8,100,000
Fire Protection:				
1952 Firehouse:				
Series A	April 1, 1955	1-3/4 and 6	$ 1,665,000	
Series B	January 1, 1956	2 to 6	950,000	
Series C	April 1, 1957	2-1/4 to 6	1,305,000	$ 3,920,000
1954 Exhibit Hall:				
Series A	April 1, 1957	2-1/4 to 6		3,055,000
Hall of Justice:				
1956 Hall of Justice:				
Series A	April 1, 1957	2-1/4 to 6	$ 1,375,000	
Series B	May 1, 1958	2-1/4 and 2-1/2	1,500,000	2,875,000
City Hall and Civic Center	July 1, 1912	5		600,000
Total General City				$114,749,000
PUBLIC SERVICE ENTERPRISES:				
Hetch Hetchy Water Supply and Power Project			$59,326,068	
San Francisco Water Department			20,049,932	
Municipal Railway of San Francisco			9,036,000	
San Francisco International Airport			17,239,000	
Total Public Service Enterprises				105,651,000
Total Bonded Indebtedness				$220,400,000

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF THE CONTROLLER

JUNE 30, 1958

1. Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1958:

1947 Street Improvement	$ 1,400,000
1952 Fire House	550,000
1954 Sewer	5,645,000
1954 San Francisco Hospital	2,830,000
1955 Playground and Recreation Center	4,000,000
1955 Hetch Hetchy Power	27,000,000
1956 Hall of Justice	16,500,000
1956 Schools	21,000,000
1956 San Francisco International Airport	14,800,000
1958 Recreation and Park (Steinhart Aquarium)	1,575,000
Total	$95,300,000

2. Excess appropriations, Employees' Retirement Fund:

It has been estimated by the Retirement System for the year ended June 30, 1958, that amounts appropriated for pensions and other costs have exceeded actual expenses by $798,161. The original appropriations provided funds based on actuarial rates then in existence. An actuarial study completed after adoption of the appropriations, indicated lower rates which were put into effect on July 1, 1957, and consequently, yielded the estimated excess.

Provisions of Section 80 of the Charter, provide that any excess shall be transferred back to the General Fund. The excess at June 30, 1957, in the amount of $21,553 was returned to the General Fund on November 13, 1958.

Contributions to the Retirement System by the Recreation and Park Department, Library, War Memorial, California Palace Legion of Honor, de Young Museum and Special Road Improvement were estimated for the months of May and June, 1958.

3. Fixed capital properties:

The amount of $764,413,834 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

A. A substantial but undetermined portion of expenditures on interdepartmental work orders in progress at the end of the fiscal year ($9,554,758 at June 30, 1958, and $5,461,616 at June 30, 1957) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.

B. An equity of approximately $704,600 has been acquired in parking meters (including $2,300 during the year under review) which together with the balance of $800 owing at June 30, 1958, on meters installed to that date, has not been reflected in the records. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.

C. Construction contracts in progress, amounting to $8,241,625 at June 30, 1958, are included under the deferred charge caption on the foregoing balance sheet.

D. Certain of the properties are recorded at appraised values.

E. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

4. Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County of San Francisco and the School District as at June 30, 1958, aggregating approximately $26,600,000 and $100,000 respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of $26,600,000 against the City and County, were claims of approximately $20,000,000 against the Municipal Railway for which the Railway has provided a reserve of $2,668,251. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for the Water Department and Hetch Hetchy Project refers to contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement System has estimated the reserve requirements at June 30, 1958, for compensation claims pending under the workmen's compensation laws of the State of California to be $1,575,000. The statements of the Water Department, Hetch Hetchy Project and the Municipal Railway indicate amounts that have been reserved for compensation claims. No provision has been made by any other department of the municipality. It is the practice of the City and County of San Francisco to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately $40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1958, indicate:

A. Net income of $1,933,458 after provision for bond interest of $1,161,482 and a charge of $43,836 for equipment and betterments.

B. Bonds outstanding at June 30, 1958, amounted to $26,790,000. These mature as follows:

Year	Amount
1958	$ 1,200,000
1959-1961	3,600,000
1962-1966	8,000,000
1967-1971	13,990,000
Total	$26,790,000

C. A sinking fund for retirement of bonded debt amounting to $8,301,076 at June 30, 1958.

D. That the District will be liable in the sum of $5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

EXHIBIT H

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO, JUNE 30, 1958

Cash	Receivables	Other Resources	Investments	Interfund Accounts	Total	
$ 37,085,163	$14,356,628	$ 125,054		$23,827,187	$ 75,394,032	General City and County Funds: Current
32,633,312		53,500,000		3,844,115	89,977,427	Capital
8,499,638	1,746,237		$209,814,029	1,200,805	221,260,709	Public trusts
3,241,656	341				3,242,197	Private trusts
12,343					12,343	Assessment and redemption
2,824,523				125,605	2,950,128	Agency
$ 84,296,835	$16,103,206	$53,625,054	$209,814,029	$28,997,712	$392,836,836	
51,750					51,750	To record: Revolving funds
	240,603				240,603	School department tuition
						Additional liabilities
				514	514	Additional retirement contribution - net
				819,714	819,714	Excess appropriations - retirement system
7,132,604					7,132,604	To reclassify: Warrants recorded in June, issued in July
$ 91,481,189	$16,343,809	$53,625,054	$209,814,029	$29,817,940	$401,082,021	
$ 27,110,851	$ 488,377	$27,005,500		$ 941,073	$ 55,545,801	Public Service Enterprise Funds: Hetch Hetchy
6,774,610	1,281,474			89,620	8,145,704	Water Department
1,909,023	83,235			130,951	2,123,209	Municipal Railway
10,041,871	490,434	16,021,634		1,222,085	27,776,024	Airport
219,846	12,245			496,747	728,838	Public Utilities Commission
$ 46,056,201	$ 2,355,765	$43,027,134		$ 2,880,476	$ 94,319,576	
52,650					52,650	To record: Revolving funds
				12,598	12,598	Excess retirement contribution
	(4,425)				(4,425)	Write-off of Airport disputed receivables
	(84,402)				(84,402)	Audit adjustments
						To reclassify:
	(204,505)			204,505		Hetch Hetchy receivable from Public Utilities Commission
2,102,603					2,102,603	Warrants recorded in June, issued in July
						Cash in transit
						For statement purposes - reserve - Airport (receivables in litigation)
						Advance rental and other miscellaneous receivables
						unamortized bond premium, deposits, etc.
$ 48,211,454	$ 2,062,433	$43,027,134		$ 3,097,579	$ 96,398,600	
$139,692,643	$18,406,242	$96,652,188	$209,814,029	$32,915,519	$497,480,621	

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Trust and Assessment	Unencumbered Appropriations	Unappropriated
$ 75,394,032	$ 8,035,648	$20,121,576	$8,210,667	$9,293,046	$5,580,916		$17,305,375	$ [illegible]
89,977,427	8,241,625	8,454,366					45,783,455	[illegible]
221,260,709	122,400	45,511				$221,092,798		
3,242,197	1,654	720				3,239,823		
12,343						12,343		
2,950,128	110,442	196,490				2,643,196		
$392,836,836	$16,511,769	$28,818,663	$8,210,667	$9,293,046	$5,580,916	$226,988,160	$63,088,830	$ [illegible]
51,750								[illegible]
240,603								[illegible]
	94,143						(94,143)	
514		514				514	(514)	
819,714		819,714				(819,714)		[illegible]
7,132,604	7,132,604							
$401,082,021	$23,738,516	$29,638,891	$8,210,667	$9,293,046	$5,580,916	$226,168,960	$62,994,173	$ [illegible]
$ 55,545,801	$14,321,807	$ 666,764			$1,264,957		$20,941,362	$ [illegible]
8,145,704	2,595,173	274,281			1,842,022		2,957,550	[illegible]
2,123,209	1,052,712	351,568					365,565	[illegible]
27,776,024	2,561,210	1,624,115			323,713		3,299,457	[illegible]
728,838	257,036	17,190			12,245		422,435	[illegible]
$ 94,319,576	$20,787,938	$ 2,933,918			$3,442,937		$27,986,369	$ [illegible]
52,650								[illegible]
12,598		12,598				$ (12,958)	12,958	
(4,425)					(4,425)			
(84,402)	(120,004)	125,607	$ 45,867		(125,032)		(10,840)	
	(204,505)	204,505						
2,102,603	2,102,603							
					(23,655)			[illegible]
			253,924		(253,924)			
			60,507					[illegible]
$ 96,398,600	$22,566,032	$ 3,276,628	$ 360,298		$3,035,901	$ (12,958)	$27,988,487	$ [illegible]
$497,480,621	$46,304,548	$32,915,519	$8,570,965	$9,293,046	$8,616,817	$226,156,002	$90,983,660	$ [illegible]

EXHIBIT I

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1958

Cash	Receivables	Other Resources	Interfund Accounts	Total	
			$ 589,061	$ 589,061	General Fund, 1958-59
$ 1,089,678	$ 3,558,778		12,579,222	17,227,678	General Fund, 1957-58
1,047,231	687,289		35,824	1,770,344	General Fund, Prior Years
1,252,789	2,418		340,220	1,595,427	Recreation and Park
182,006	7,153		50	189,209	Library
124,425	520			124,945	War Memorial
19,011				19,011	California Palace of the Legion of Hono
65,378				65,378	de Young Museum
25,543			2,500	28,043	Publicity and Advertising
57,629				57,629	Special Election
5,035,864	215,816		324,242	5,575,922	Special Road Improvement
5,885,189	949,196	$125,054	2,913	6,962,352	San Francisco Unified School District
190,007	46,225			236,232	School Cafeteria
10,737				10,737	County School Service
110,332	27,829			138,161	Child Care Centers
11,678,385	2,452,585		116,621	14,247,591	Special Gas Tax Street Improvement
	342,106			342,106	Employees' Retirement - Current
114,099	233,102		1,933,261	2,280,462	Bond Interest and Redemption
2,881,866	2,165,578		6,348,564	11,396,008	Cash Reserve
617,657			885,492	1,503,149	Emergency Reserve
26,656				26,656	Embarcadero Widening
1,237,902	3,098,277			4,336,179	Capital Improvement
	233,333			233,333	Alcoholic Beverage License Subsidy
	336,423			336,423	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,235)				(103,235)	Police Relief and Pension
			669,217	669,217	Medical Care Trust
					Unapportioned Funds:
1,003				1,003	Tax Collector's Taxes
165				165	Redemption of Property
64,355				64,355	Delinquent Tax Installments
5,809,753				5,809,753	Assessor's Personal Property Taxes
$37,085,163	$14,356,628	$125,054	$23,827,187	$75,394,032	

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Unencumbered Appropriations	Unappropriated
$ 589,061							$ 589,061
17,227,678	$5,365,292	$ 5,395,844	$1,612,592		$2,392,735	$ 2,461,215	
1,770,344	231,329	765,544	5,000		681,453	87,018	
1,595,427	338,619	622,188	48,582		2,418	583,620	
189,209	107,056	73,469			7,163	1,521	
124,945	3,836	45,010			520	75,579	
19,011	1,254	15,236				2,521	
65,378	608	36,630				28,140	
28,043	20,774	6,420				849	
57,629						47,890	9,739
5,575,922	210,178	1,411,692				2,928,857	1,025,195
6,962,352	1,571,556	733,480			519,952	241,259	3,896,105
236,232		76				5,000	231,156
10,737						10,737	
138,161	31,976	4,464			1,830	5,013	94,878
14,247,591	21,348	3,745,064			42,000	9,046,522	1,392,657
342,106		143,156			198,950		
2,280,462		2,000,000			231,020		49,442
11,396,008		600,087		$9,293,046	1,502,875		
1,503,149		5,500				1,497,649	
26,656						26,656	
4,336,179	131,822	3,947,960				255,329	1,068
233,333		233,333					
336,423		336,423					
(167,930)							(167,930)
(171,332)							(171,332)
(103,235)							(103,235)
669,217			669,217				
1,003			1,003				
165			165				
64,355			64,355				
5,809,753			5,809,753				
$75,394,032	$8,035,648	$20,121,576	$8,210,667	$9,293,046	$5,580,916	$17,305,375	$6,846,804

EXHIBIT J

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30, 1958

Cash	Unsold Bonds	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Unencumbered Appropriations	Unappropriated
				Bond Funds:					
$ 6,594			$ 6,594	1933 Sewer	$ 6,594	$	$	$ 4,839	$ 1,755
1,147,319			1,147,319	1944 Sewer	1,147,319	12,100	11,256	1,118,879	5,084
28,319			28,319	1944 Juvenile Home and Court and 1948 Juvenile Court and Detention Home	28,319			25,507	2,812
4,989,239	$ 1,400,000		6,389,239	1947 Street Improvement	6,389,239	1,895,687	2,484,743	1,992,947	15,862
594,924			594,924	1947 Recreation	594,924	24,704	6,827	462,195	101,198
2,483,795			2,483,795	1947 Off-Street Parking	2,483,795		10,582	2,144,472	328,741
503,096			503,096	1948 School	503,096	219,516	10,332	228,560	44,688
536,210			536,210	1948 Sewage Treatment	536,210	1,512	5,789	528,909	
477,305	550,000		1,027,305	1952 Firehouse	1,027,305	109,222	17,850	890,174	10,059
4,005,575	5,645,000		9,650,575	1954 Sewer	9,650,575	410,609	871,057	8,362,909	6,000
1,779,975	2,830,000		4,609,975	1954 San Francisco Hospital	4,609,975	316,544	1,010,641	3,282,408	382
1,723,172			1,723,172	1954 Laguna Honda Home and Hospital	1,723,172	722,596	238,986	761,590	
12,406		$3,844,155	3,856,521	1954 Exhibit Hall	3,856,521	28,839	3,680,980	146,702	
5,000,000			5,000,000	1954 Recreation Center	5,000,000				5,000,000
1,528,359	4,000,000		5,528,359	1955 Playgrounds and Recreation Centers	5,528,359	731,821	43,451	2,427,777	2,325,310
1,770,500	16,500,000		18,270,500	1956 Hall of Justice	18,270,500	1,313,429	24,847	521,175	16,411,049
5,520,286	21,000,000		26,520,286	1956 School	26,520,286	2,455,046	37,025	22,816,958	1,211,257
	1,575,000		1,575,000	1958 Recreation and Park (Steinhart Aquarium)	1,575,000				1,575,000
				Real Property Funds:					
349,278			349,278	General City	349,278			48,620	300,658
176,960			176,960	San Francisco Unified School District	176,960			18,834	158,126
$32,633,312	$53,500,000	$3,844,115	$89,977,427		$89,977,427	$8,241,625	$8,454,366	$45,783,455	$27,497,981

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT K

INDIVIDUAL FUND BALANCE SHEET - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1958

Cash	Receivables	Investments	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Fund Balances
$7,598,836	$1,715,895	$209,342,345	$1,200,805	$219,857,881	Employees' Retirement System	$219,857,881	$ 23,933	$ 9,706	$219,824,242
					Bequests:				
1,270		94		1,364	Brunetti	1,364			1,364
233				233	Fallon	233			233
10,835		49,340		60,175	Fuhrman - Joint	60,175			60,175
4,202	995	116,672		121,869	Fuhrman - Library	121,869	517		121,352
84,198				84,198	Fuhrman - Park	84,198			84,198
4,223	116	8,379		12,718	Herzstein	12,718			12,718
992		2,000		2,992	Lewis	2,992	45		2,947
21,949				21,949	Lux	21,949	2,250	1,067	18,632
8,160	45	2,073		10,278	Marx	10,278			10,278
3,162	5	5,000		8,167	McLean	8,167			8,167
2,412				2,412	Nelson	2,412			2,412
863	23	978		1,864	Olsen	1,864			1,864
5,702	667	40,238		46,607	Robinson	46,607			46,607
6,587				6,587	Sneide	6,587			6,587
1,046				1,046	Steinberg	1,046			1,046
13,862	197	10,066		24,125	Steinbrunn	24,125			24,125
2,152				2,152	Stoy	2,152			2,152
22,210	1,415	201,250		224,875	Strybing	224,875	18,425		206,450
64	62	5,000		5,126	Sutro	5,126			5,126
342				342	Wilbert	342			342
1,591	204	15,009		16,804	Windel	16,804			16,804
125				125	Arabic Book Fund	125			125
9,218				9,218	Board of Trustees - Legion of Honor	9,218			9,218
3,182				3,182	de Young Museum Art Trust	3,182		250	2,932
100,330				100,330	Fund for the Advancement of Education	100,330	7,365	613	92,352
488,908				488,908	Health Service	488,908	3,974	5,250	479,684
2,028				2,028	Infantile Paralysis	2,028			2,028
2,582				2,582	Laguna Honda Home - Gift Fund	2,582	39		2,543
3,959				3,959	Laguna Honda Workshop	3,959			3,959
57				57	Musicians Club	57			57
		15,585		15,585	P.P.I.E. Trust	15,585			15,585
1,791	110			1,901	P.P.I.E. Scholarship Interest	1,901			1,901
269				269	Police Range	269			269
25				25	Recreation and Park Gift Fund	25			25
1,195				1,195	San Francisco Hospital - Children's Ward	1,195			1,195
110				110	Social Service	110			110
165				165	Special Anecdotal Book Fund	165			165
15,481	26,503			41,984	State Highway	41,984		26,000	15,984
75,178				75,178	Storylands Fund	75,178	68,882	2,625	6,721
114				114	Tuberculosis Trust	114			114
30				30	Veterans' Education - School	30			30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1958

Cash	Receivables	Total		Total	Encumbrances	Interfund Accounts	Fund Balances
$ 224		$ 224	Absent Creditors	$ 224			$ 224
6,565		6,565	Absent Heirs	6,565			6,565
52,594		52,594	Adult Probation Officers' Deposit	52,594			52,594
199		199	Adult Probation Officers' Clearing Account	199			199
22,369		22,369	Coroner's Unclaimed Money	22,369			22,369
2,000		2,000	County Clerk Bail	2,000			2,000
363,729		363,729	County Clerk Special	363,729			363,729
1,415		1,415	de Young Museum	1,415			1,415
31,542		31,542	Duplicate Taxes	31,542			31,542
1,523		1,523	Electrical Deposits	1,523			1,523
17,908		17,908	Jail Stores Deposits	17,908	$ 634		17,274
18,309		18,309	Juvenile Court Deposits	18,309			18,309
396		396	California Palance of the Legion of Honor	396			396
430		430	Library Card Deposits	430			430
69,550		69,550	Municipal Court Bail	69,550			69,550
163,615		163,615	Municipal Court Special	163,615			163,615
1,074		1,074	Police Department Deposits	1,074			1,074
93,154		93,154	Realty Deposits	93,154			93,154
101,559		101,559	Refundable Deposits, Department of Public Works	101,559			101,559
86,599		86,599	Sheriff's Trust	86,599			86,599
12,650		12,650	Sheriff's Inmate Welfare Fund	12,650	1,020	$720	10,910
125		125	Special Badge	125			125
465		465	Street Improvement	465			465
5		5	Street Improvement - Ordinance 1934	5			5
10,148	332	10,480	Sunset Tunnel Assessment Refund	10,480			10,480
18,779	9	18,788	Twin Peaks Tunnel Refund	18,788			18,788
312,751		312,751	Voluntary Payroll Deductions	312,751			312,751
70,317		70,317	War Bonds	70,317			70,317
1,066,856		1,066,856	Withholding Tax - General	1,066,856			1,066,856
208,813		208,813	Withholding Tax - Municipal Railway	208,813			208,813
467,521		467,521	Withholding Tax - San Francisco Unified School District	467,521			467,521
37,449		37,449	F.I.C.A. Taxes - Municipal Railway	37,449			37,449
757		757	F.I.C.A. Taxes - Redevelopment Agency	757			757
26		26	F.I.C.A. Taxes - Parking Authority	26			26
131		131	F.I.C.A. Taxes - Air Pollution Control	131			131
309		309	California Unemployment Taxes - Redevelopment Agency	309			309
$3,241,856	$341	$3,242,197		$3,242,197	$1,654	$720	$3,239,823

EXHIBIT M

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1958

Cash	Interfund Accounts	Total		Total	Encumbrance	Interfund Accounts	Fund Balances
			Assessment and Redemption Funds:				
$ 1,302		$ 1,302	Circular Avenue Assessment	$ 1,302			$ 1,302
4,233		4,233	Circular Avenue Redemptions	4,233			4,233
938		938	City Lands Assessment	938			938
3,623		3,623	City Lands Redemption	3,623			3,623
142		142	Oakwood Street Assessments	142			142
64		64	Saturn Street Redemptions	64			64
461		461	Virginia Avenue Assessments	461			461
1,580		1,580	Virginia Avenue Redemptions	1,580			1,580
$ 12,343		$ 12,343		$ 12,343			$ 12,343
			Agency Funds:				
$ 77,784		$ 77,784	Bay Area Air Pollution Control District	$ 77,784	$30,584	$ 250	$ 46,950
74,909	$ 90,605	165,514	Bay Area Rapid Transit	165,514	15,514	150,000	
35,000	35,000	70,000	Hunters Point Reclamation District	70,000	17,200	35,000	17,800
2		2	Law Library	2			2
34,977		34,977	Redevelopment Agency - Survey and Planning	34,977			34,977
1,507,833		1,507,833	Redevelopment Agency - Project Expenditures	1,507,833	7,995	9,740	1,490,098
85		85	State Consumers' Use Tax	85			85
606,296		606,296	State County Fair	606,296	39,149	1,500	565,647
4,580		4,580	State General Agency	4,580			4,580
445,281		445,281	State Inheritance Taxes	445,281			445,281
2,861		2,861	State Sales Tax	2,861			2,861
16,090		16,090	State Teachers' Annuity Deposits	16,090			16,090
18,825		18,825	State Teachers' Retirement Plan	18,825			18,825
$2,824,523	$125,605	$2,950,128		$2,950,128	$110,442	$196,490	$2,643,196

EXHIBIT N

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1958

Cash	Receivables	Other Resources	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Reserves	Unencumbered Appropriations	Unappropriated
					Hetch Hetchy:						
$ 1,384,416	$ 488,377		$ 941,073	$ 2,813,866	Operating	$ 2,813,866	$ 508,563	$ 224,908	$ 23,655	$ 330,447	$ 1,726,293
1,235,802				1,235,802	Bond Interest and Redemption	1,235,802			1,235,802		
48,096				48,096	1947 Water Bonds	48,096				48,096	
134,833				134,833	1949 Cherry Valley Dam Bonds	134,833		34,804		73,759	26,250
24,307,704		$27,005,500		51,313,204	1955 Hetch Hetchy Power	51,313,204	13,813,244	407,032	5,500	20,489,060	16,598,368
$27,110,851	$ 488,377	$27,005,500	$ 941,073	$55,545,801		$55,545,801	$14,321,807	$ 666,764	$1,264,957	$20,941,362	$18,350,911
					Water Department:						
$ 5,477,167	$1,281,474		$ 89,620	$ 6,848,261	Operating	$ 6,848,261	$ 2,595,173	$ 274,281	$ 549,522	$ 2,952,607	$ 476,678
1,292,500				1,292,500	Bond Interest and Redemption	1,292,500			1,292,500		
4,943				4,943	Real property	4,943				4,943	
$ 6,774,610	$1,281,474		$ 89,620	$ 8,145,704		$ 8,145,704	$ 2,595,173	$ 274,281	$1,842,022	$ 2,957,550	$ 476,678
					Municipal Railway:						
$ 1,855,354	$ 83,235		$ 130,876	$ 2,069,465	Operating	$ 2,069,465	$ 1,008,875	$ 351,568		$ 355,658	$ 353,364
53,669			75	53,744	1947 Municipal Railway Rehabilitation	53,744	43,837			9,907	
$ 1,909,023	$ 83,235		$ 130,951	$ 2,123,209		$ 2,123,209	$ 1,052,712	$ 351,568		$ 365,565	$ 353,364
					Airport:						
$ 468,459	$ 490,434		$ 1,950	$ 960,843	Operating	$ 960,843	$ 69,738	$ 94,067	$ 302,876	$ 14,730	$ 479,432
33,318				33,318	Special Aviation	33,318	3,036	7,420		22,120	742
87,614				87,614	1945 Airport Bonds	87,614	71	9,342		78,201	
146,853				146,853	1949 Airport Bonds	146,853	4,618	19,532		119,967	2,736
6,826,630		$14,801,500	1,220,135	22,828,265	1956 Airport Bonds	22,828,265	349,784	271,670	1,500	2,720,692	19,484,619
19,337				19,337	Bond Interest and Redemption	19,337			19,337		
2,479,660		1,220,134		3,699,794	Federal Airport Project	3,699,794	2,133,963	1,222,084		343,747	
$10,041,871	$ 490,434	$16,021,634	$1,222,085	$27,776,024		$27,776,024	$ 2,561,210	$1,624,115	$ 323,713	$ 3,299,457	$19,967,529
					Public Utilities Commission:						
$ 219,846	$ 12,245		$ 496,747	$ 728,838	Operating	$ 728,838	$ 257,036	$ 17,190	$ 12,245	$ 422,435	$ 19,932
$46,056,201	$2,355,765	$43,027,134	$2,880,476	$94,319,576		$94,319,576	$20,787,938	$2,933,918	$3,442,937	$27,986,369	$39,168,414

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEETS, JUNE 30, 1958

A S S E T S	Total	Fixed Capital Assets	Cash	Accounts Receivables	Federal Aid for Public Improvements	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
Proprietary balance sheet - Exhibit A	$1,077,642,689	$657,892,173	$147,345,862	$12,765,670	$212,703		$209,814,029	$128,475	$ 5,161,992	$44,321,785
Deduct:										
Fixed capital assets, net	$ 657,892,173	$657,892,173								
Warrants and payroll deductions outstanding	7,558,485		$ 7,558,485							
Bond interest matured and unpaid	65,534		65,534							
Bonds matured and unpaid	29,200		29,200							
Inventories and deferred charges	44,314,785					$ (7,000)				$44,321,785
Federal aid for public improvements					$212,703	(212,703)				
Lease deposits	128,475							$128,475		
	$ 709,988,652	$657,892,173	$ 7,653,219		$212,703	$ (219,703)		$128,475		$44,321,785
Add:										
Accounts receivable reserves	$ 6,773,057			$ 5,640,572		$ 1,132,485				
Bonds unsold (Note 1)	95,300,000					95,300,000				
Interfund accounts	27,753,527								$27,753,527	
	$ 129,826,584			$ 5,640,572		$96,432,485			$27,752,527	
Fund balance sheets - Exhibit H	$ 497,480,621	-0-	$139,692,643	$18,406,242	-0-	$96,652,188	$209,814,029	-0-	$32,915,519	-0-

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEETS, JUNE 30, 1958

LIABILITIES	Total	Bonded Debt	Bond Interest	Accounts Payable and Encumbrances	Interfund Accounts	Deferred Credits	Reserves	Trust and Assessment Fund Balances	Surplus
Proprietary balance sheet - Exhibit A	$1,077,642,689	$220,429,200	$1,960,051	$54,095,752	$ 5,161,992	$9,079,688	$3,585,325	$226,035,254	$557,294,827
Deduct:									
Bonded debt and interest maturing after July 1, 1958		$217,600,000	$ 943,454						$(218,543,454)
Bond interest matured - unpaid	$ 65,534		65,534						
Bonds matured - unpaid	29,200	29,200							
Bond interest maturing on July 1, 1958			951,063				$(547,639)		(403,424)
Bonds maturing on July 1, 1958		2,800,000					(2,000,000)		(800,000)
Outstanding warrants and payroll deductions	7,558,485			$ 7,558,485					
Accruals due U. S. Government - Municipal Railway				13,062					(13,062)
Customers' deposits and advances				217,017					(217,017)
Accrued salaries and wages				2,640					(2,640)
Fixed capital assets, net	657,892,173								657,892,173
Reserve for accident claims - Municipal Railway							2,668,251		(2,668,251)
Reserves for Workmen's Compensation claims, sick leaves, vacations, etc.							321,024		(321,024)
Reserve for outstanding tokens - Municipal Railway							645		(645)
Reserve for refunds - Water Department							424,257		(424,257)
Other reserves - Water Department							8,192		(8,192)
Inventories and deferred charges	44,314,785					$ 62,887	(7,000)		44,258,898
Current year's advances and prior year's receipts not encumbered - Public Utilities Commission						442,073			(442,073)
Airport improvements amortized						3,683			(3,683)
Airport unclaimed checks						80			(80)
Lease deposits	128,475						128,475		
Receivable from State of California - reserved							4,949		(4,949)
	$ 709,983,652	$220,429,200	$1,960,051	$ 7,791,204	-0-	$ 508,723	$1,001,154	-0-	$478,293,320
Add:									
Interfund accounts	$ 27,753,527				$27,753,527				
Accounts receivable reserves	6,773,057						$5,640,572		$ 1,132,485
Bonds unsold	95,300,000								95,300,000
Interfund work orders, budget transfers and other adjustments								$ 120,748	(120,748)
Reserve for Water Department revenues collected - in litigation							270,209		(270,209)
Other Water Department reserves							121,265		(121,265)
	$ 129,826,584				$27,753,527		$6,032,046	$ 120,748	$ 95,320,263
Fund balance sheets - Exhibit H	$ 497,480,621	-0-	-0-	$46,304,348	$32,915,519	$8,570,965	$8,616,817	$226,156,002	$174,916,770
							Cash reserves		$ 9,293,046
							Unencumbered appropriations		90,982,660
							Unappropriated balance of funds		74,641,064
									$174,916,770

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT

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REPORT ON EXAMINATION OF ACCOUNTS

YEAR ENDED JUNE 30, 1958

SAN FRANCISCO
NEW YORK
CHICAGO
LOS ANGELES
SEATTLE
HONOLULU

JOHN F. FORBES & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

CABLE ADDRESS
"CERPUBANT"
CROCKER BUILDING
SAN FRANCISCO 4

October 8, 1958.

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated February 3, 1958, we have examined the combining balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1958, and the related combining statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying combining balance sheet and combining statements of income and surplus present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1958, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We present herewith the following exhibits, schedule, and notes:

Exhibit

A - Combining Balance Sheet, June 30, 1958.
Schedule
1 - Combining Summary of Property, Plant, and Equipment, and Related Accumulated Depreciation, June 30, 1958.

B - Combining Statement of Income for the Year Ended June 30, 1958.

C - Combining Statement of Surplus for the Year Ended June 30, 1958.

Notes to Financial Statements, June 30, 1958.

Yours truly,

John J. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1958

-- A S S E T S --	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1) (Note 1):				
In service:				
Tangible property,	$233,633,641.55		$101,838,241.48	$131,795,400.07
Intangible property,	5,958,543.00		3,222,913.00	2,735,630.00
Not in service - Tangible property,	919,273.42		860,582.58	58,690.84
Total,	$240,511,457.97		$105,921,737.06	$134,589,720.91
Less accumulated depreciation,	74,973,495.70		35,608,301.36	39,365,194.34
Remainder,	$165,537,962.27		$ 70,313,435.70	$ 95,224,526.57
Under construction,	6,667,826.81		1,821,397.82	4,846,428.99
Total property, plant, and equipment,	$172,205,789.08		$ 72,134,833.52	$100,070,955.56
CASH:				
On deposit with Treasurer,	$ 35,086,711.85		$ 7,186,800.81	$ 27,899,911.04
Revolving funds,	57,655.28		30,000.00	27,655.28
Total cash,	$ 35,144,367.13		$ 7,216,800.81	$ 27,927,566.32
ACCOUNTS RECEIVABLE:				
Consumers' accounts,	$ 1,401,164.58		$ 1,119,092.85	$ 282,071.73
Other accounts,	90,313.12		90,313.12	
Total,	$ 1,491,477.70		$ 1,209,405.97	$ 282,071.73
Less allowance for doubtful accounts,	33,015.98		33,015.98	
Remainder - Accounts receivable,	$ 1,458,461.72		$ 1,176,389.99	$ 282,071.73
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,	$ 20,774.67			$ 20,774.67
Other public service departments,	293,647.66	$45,234.35	$ 12,415.09	326,466.92
Total due from City and County of San Francisco,	$ 314,422.33	$45,234.35	$ 12,415.09	$ 347,241.59
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies,	$ 638,053.52		$ 592,048.06	$ 46,005.46
Commitments for goods and services not received (contra),	16,148,751.91		2,522,682.92	13,626,068.99
Deposits and other accounts,	189,352.87		160,024.41	29,328.46
Total deferred charges and other assets,	$ 16,976,158.30		$ 3,274,755.39	$ 13,701,402.91
TOTAL,	$226,099,198.56	$45,234.35	$ 83,815,194.80	$142,329,238.11

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1958

--LIABILITIES--	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
BONDED DEBT (Note 3):				
Matured bonds not presented for payment,	$ 22,000.00		$ 16,000.00	$ 6,000.00
Maturing within one year,	5,647,000.00		1,924,505.00	3,722,495.00
Maturing subsequent to June 30, 1959,	73,729,000.00		18,125,427.00	55,603,573.00
Total bonded debt,	$ 79,398,000.00		$ 20,065,932.00	$ 59,332,068.00
BOND INTEREST PAYABLE:				
Matured coupons not presented for payment,	$ 47,297.50		$ 6,660.00	$ 40,637.50
Due July 1, 1958,	788,750.00		292,500.00	496,250.00
Accrued, due subsequent to July 1, 1958,	250,693.71			250,693.71
Total bond interest payable,	$ 1,086,741.21		$ 299,160.00	$ 787,581.21
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants outstanding and payroll deductions payable,	$ 1,155,608.84		$ 389,531.04	$ 766,077.80
Accounts payable,	225,090.40		135,521.67	89,568.73
Retained percentages due contractors,	402,757.59		35,949.20	366,808.39
Commitments for goods and services not received (contra),	16,148,751.91		2,522,682.92	13,626,068.99
Total accounts payable and commitments,	$ 17,932,208.74		$ 3,083,684.83	$ 14,848,523.91
DEPOSITS AND CONSTRUCTION ADVANCES,	$ 217,017.62		$ 215,228.69	$ 1,788.93
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,	$ 206,113.65		$ 137,830.89	$ 68,282.76
Other public service departments,	31,114.12	$45,234.35	75,234.69	1,113.78
Total due to City and County of San Francisco,	$ 237,227.77	$45,234.35	$ 213,065.58	$ 69,396.54
RESERVES AND DEFERRED CREDITS:				
Workmen's compensation insurance claims,	$ 155,878.85		$ 143,701.56	$ 12,177.29
Consumers' accounts subject to adjustment (Note 2),	424,257.52		424,257.52	
Other,	12,336.92		8,192.20	4,144.72
Total reserves and deferred credits,	$ 592,473.29		$ 576,151.28	$ 16,322.01
SURPLUS (Exhibit C),	$126,635,529.93		$ 59,361,972.42	$ 67,273,557.51
TOTAL,	$226,099,198.56	$45,234.35	$ 83,815,194.80	$142,329,238.11

NOTE: The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT A

(Concluded) - 7.

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1958

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE:		
Tangible property:		
Water Department:		
Land and rights of way,.....	$ 14,182,775.28	
Buildings, structures, and grounds,..	1,716,132.36	$ 893,547.36
Source of water supply,.....	29,505,296.29	9,558,074.82
Pumping station equipment,.....	1,401,846.68	447,515.69
Purification system,.....	332,718.41	132,526.59
Transmission and distribution system,	52,910,086.50	23,197,818.16
General equipment,.....	402,051.79	230,415.92
Automotive equipment,.....	476,149.48	233,654.19
Undistributed interest during construction,.....	911,184.69	361,482.38
Total Water Department,.....	$101,838,241.48	$35,055,035.11
Hetch Hetchy Project:		
Water plant:		
Land and rights of way,.....	$ 1,012,495.12	
Buildings, structures, and grounds,	148,224.77	$ 60,700.41
Source of water supply,.....	69,679,560.17	21,773,374.45
Purification system,.....	37,313.93	29,917.65
Total water plant,.....	$ 70,877,593.99	$21,863,992.51
Electric plant:		
Land and rights of way,.....	$ 332,629.06	
Buildings, structures, and grounds,	1,224,250.98	$ 638,791.27
Hydraulic production plant,.....	8,700,792.11	5,007,593.81
Transmission system,.....	2,768,553.86	2,205,050.78
General equipment,.....	232,611.52	75,369.74
Total electric plant,.....	$ 13,258,837.53	$ 7,926,805.60
Joint plant:		
Land and rights of way,.....	$ 1,806,687.60	$ 14,021.14
Buildings, structures, and grounds,	1,479,442.58	685,662.17
Source of water supply,.....	43,818,668.54	8,533,872.01
General equipment,.....	554,169.83	305,251.05
Total joint plant,.....	$ 47,658,968.55	$ 9,538,806.37
Total Hetch Hetchy Project,....	$131,795,400.07	$39,329,604.48
Total tangible property in service (Forward),.....	$233,633,641.55	$74,384,639.59

EXHIBIT A
SCHEDULE 1

(Continued) - 1.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE (Continued):		
Total tangible property in service (Forward),	$233,633,641.55	$74,384,639.59
Intangible property:		
Water rights and other intangible property:		
Water Department,	$ 3,222,913.00	
Hetch Hetchy Project,	2,735,630.00	
Total intangible property in service,	$ 5,958,543.00	
NOT IN SERVICE:		
Tangible property:		
Water Department,	$ 860,582.58	$ 553,266.25
Hetch Hetchy Project,	58,690.84	35,589.86
Total tangible property not in service,	$ 919,273.42	$ 588,856.11
UNDER CONSTRUCTION:		
Water Department:		
Balboa reservoir,	$ 461,848.88	
Sunset reservoir,	950,391.59	
Crystal Springs pipe line No. 3,	195,481.43	
Water mains,	134,767.97	
Other,	78,907.95	
Total Water Department,	$ 1,821,397.82	
Hetch Hetchy Project:		
Cherry and Canyon power projects,	$ 4,729,655.24	
Cherry Valley dam,	55,501.98	
Other,	61,271.77	
Total Hetch Hetchy Project,	$ 4,846,428.99	
Total property under construction,	$ 6,667,826.81	
TOTAL PROPERTY, PLANT, AND EQUIPMENT,	$247,179,284.78	$74,973,495.70

EXHIBIT A
SCHEDULE 1

(Continued) - 2.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

ADDITIONS TO COMBINED PROPERTIES,	
YEAR ENDED JUNE 30, 1958:	
Water Department:	
Land and rights of way,.....	$ 43,267.50
Buildings, structures, and grounds,.....	19,389.91
Source of water supply,.....	124,654.70
Transmission and distribution:	
Hillsborough tunnel,.....	1,438,114.03
Crystal Springs and Sunset supply line,.....	926,078.21
Water mains, meters, services, etc.,.....	864,535.55
Other,.....	22,904.55
Automotive equipment,.....	108,763.69
Other,.....	37,218.28
Total Water Department,.....	$3,584,926.42
Hetch Hetchy Project:	
Water plant,.....	$ 851.06
Electric plant,.....	104,608.09
Joint plant,.....	91,469.84
Total Hetch Hetchy Project,...	$ 196,928.99
TOTAL ADDITIONS TO COMBINED PROPERTIES,.....	$3,781,855.41

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 1958

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 2):				
Water sales,	$13,699,043.65	$4,030,000.00	$13,699,043.65	$4,030,000.00
Electrical energy sales,	4,900,849.26			4,900,849.26
Total operating revenues,	$18,599,892.91	$4,030,000.00	$13,699,043.65	$8,930,849.26
OPERATING EXPENSES:				
Standby charge and purchases of water,		$4,030,000.00	$ 4,030,000.00	
Purchases of electrical energy,	$ 1,043,427.80			$1,043,427.80
Production expenses,	444,815.23			444,815.23
Source of water supply,	501,240.75		501,240.75	
Pumping,	344,180.41		344,180.41	
Purification,	230,834.00		230,834.00	
Transmission and distribution,	2,717,148.12		1,245,514.88	1,471,633.24
Commercial,	676,475.51		662,712.51	13,763.00
Administrative and general,	2,316,843.61		1,568,907.29	747,936.32
Provision for doubtful accounts,	68,839.86		68,839.86	
Provision for depreciation,	3,071,434.11		1,160,691.72	1,910,742.39
Total operating expenses,	$11,415,239.40	$4,030,000.00	$ 9,812,921.42	$5,632,317.98
OPERATING INCOME,	$ 7,184,653.51		$ 3,886,122.23	$3,298,531.28
OTHER INCOME:				
Gain from sales of property,	$ 383,617.72		$ 321,404.59	$ 62,213.13
Rentals received, including crop sales,	369,075.10		340,512.27	28,562.83
Interest earned,	55,469.18		55,469.18	
Miscellaneous,	67,908.54		58,342.94	9,565.60
Total other income,	$ 876,070.54		$ 775,728.98	$ 100,341.56
Total,	$ 8,060,724.05		$ 4,661,851.21	$3,398,872.84
OTHER DEDUCTIONS:				
Interest on bonded debt,	$ 2,000,878.57		$ 724,962.54	$1,275,916.03
Agricultural division and crop expense,	100,045.77		100,045.77	
Miscellaneous,	22,047.68		10,859.53	11,188.15
Total other deductions,	$ 2,122,972.02		$ 835,867.84	$1,287,104.18
EXCESS OF REVENUES OVER EXPENSES (Exhibit C)	$ 5,937,752.03		$ 3,825,983.37	$2,111,768.66

NOTE: The accompanying notes to financial statements are an integral part of this statement of income.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1958

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JULY 1, 1957,.....	$120,492,336.30	$55,309,789.44	$65,182,546.86
ADDITIONS:			
Excess of revenues over expenses (Exhibit B),.....	5,937,752.03	3,825,983.37	2,111,768.66
Contribution from Federal government for construction of Cherry Valley dam,.....	13,570.00		13,570.00
Reduction of reserve for maintenance overhead with respect to amounts accumulated in prior years,.....	191,871.60	191,871.60	
Total,.....	$126,635,529.93	$59,327,644.41	$67,307,885.52
INTERFUND TRANSFER - FIXED CAPITAL IN SERVICE TRANSFERRED TO THE WATER DEPARTMENT FROM THE 1947 HETCH HETCHY WATER BOND FUND,.....		34,328.01	(34,328.01)
BALANCE, JUNE 30, 1958 (Exhibit A),.....	$126,635,529.93	$59,361,972.42	$67,273,557.51

NOTE: The accompanying notes to financial statements are an integral part of this statement of surplus.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

NOTES TO FINANCIAL STATEMENTS, JUNE 30, 1958

NOTE:

1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, have been given effect to in the accounts as of June 30, 1958. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1958, is based upon rates as set forth in the 1953 appraisal.

The major construction projects of the Water Department in progress at June 30, 1958, have total estimated costs of $3,519,681.10. Costs to complete these projects are estimated at $2,228,299.92 at that date.

On November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of $54,000,000.00 for the acquisition, construction, and completion of the Cherry and Canyon power projects in Tuolumne County, California. Bonds in the amounts of $10,000,000.00, $12,000,000.00, and $5,000,000.00 were issued on April 1, 1957, November 1, 1957, and May 1, 1958, respectively. Expenditures to June 30, 1958, on these projects amounted to $4,729,655.24. Costs to complete the portion of these projects which were in progress at that date are estimated at $13,455,248.05. In September, 1958, a contract in the amount of $5,230,174.50 was awarded for the construction of the Cherry powerhouse, and it is anticipated that other major contracts will be awarded during the fiscal year ended June 30, 1959. The Hetch Hetchy Project had no other major construction projects in progress as of June 30, 1958.

As a result of a rate survey, the property, plant, and equipment of Hetch Hetchy Project, formerly classified as being applicable to either water supply or power supply, were reclassified during the years ended June 30, 1957, and June 30, 1958, as being water, power, or joint plant as indicated in the accompanying Schedule 1 of Exhibit A.

(Continued)

2. Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers are billed bi-monthly.

The combining statement of income, Exhibit B, does not include recorded revenues from water delivered to certain municipal departments without charge which, if billed at regular rates, would have amounted to $738,586.52; nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of $738,586.52 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter of the City and County of San Francisco, which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated. However, in June, 1958, the Assessor of the City and County of San Francisco estimated Water Department real property taxes within San Francisco for the fiscal year ended June 30, 1957, would have amounted to $1,708,880.00 had the utility been privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Company which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period from November 17, 1950, to June 30, 1958. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom. Reserves aggregating $424,257.52 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made in the attached balance sheet for damages, if any, resulting from cancellation of these contracts.

(Continued) - 2.

3. The combined bonded debt of the City and County of San Francisco applicable to the Water Department and Hetch Hetchy Project aggregated $79,398,000.00 at June 30, 1958. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

	Matured	Unmatured	Total
Water Department:			
Spring Valley, July 1, 1928 - 4-1/2%,	$16,000.00	$13,000,000.00	$13,016,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2-1/2%,		408,000.00	408,000.00
Series D, November 1, 1949 - 1-1/4% and 1-1/2%,		4,865,000.00	4,865,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,		741,168.00	741,168.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,		1,035,764.00	1,035,764.00
Total Water Department,	$16,000.00	$20,049,932.00	$20,065,932.00
Hetch Hetchy Project:			
Water, July 1, 1910 - 4-1/2%,	$ 1,000.00	$ 7,000,000.00	$ 7,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%,		2,750,000.00	2,750,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%,	2,000.00	12,000,000.00	12,002,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%,	3,000.00	2,500,000.00	2,503,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2-1/2%,		3,342,000.00	3,342,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,		2,114,832.00	2,114,832.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,		204,236.00	204,236.00
1949 Cherry Valley Dam:			
Series A, March 1, 1952 - 1-1/4%,		480,000.00	480,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%,		2,185,000.00	2,185,000.00
Forward,	$ 6,000.00	$32,576,068.00	$32,582,068.00

(Continued) - 3.

	Matured	Unmatured	Total
Total Water Department (Forward),	$16,000.00	$20,049,932.00	$20,065,932.00
Hetch Hetchy Project (Forward),..	$ 6,000.00	$32,576,068.00	$32,582,068.00
1955 Hetch Hetchy Power:			
Series A, April 1, 1957 -			
2-1/2% to 6%,.....		9,750,000.00	9,750,000.00
Series B, November 1, 1957 -			
3% to 6%,.....		12,000,000.00	12,000,000.00
Series C, May 1, 1958 -			
2% to 6%,.....		5,000,000.00	5,000,000.00
Total Hetch Hetchy Project,.....	$ 6,000.00	$59,326,068.00	$59,332,068.00
Total,.....	$22,000.00	$79,376,000.00	$79,398,000.00

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

Year Ending June 30	Amount
1959,.....	$5,647,000.00
1960,.....	5,647,000.00
1961,.....	5,647,000.00
1962,.....	5,987,000.00
1963,.....	6,612,000.00

4. The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass breakage, automobile public liability and property claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

The Hetch Hetchy Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

(Continued) - 4.

5. Under provision of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1958.

6. The Water Department was contingently liable as of June 30, 1958, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Project was contingently liable as of that date under various suits for alleged damages to wells and springs, and property damage. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.

(Concluded) - 5.

Municipal Railway of San Francisco

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REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1958

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET
SAN FRANCISCO 4

August 28, 1958.

Honorable H. D. Ross,
Controller, City and County
of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the Municipal Railway of San Francisco for the year ended June 30, 1958, listed below:

- Balance Sheet, June 30, 1958 (Exhibit A).
  - Summary of Fixed Capital - Road and Equipment for the Year Ended June 30, 1958 (Schedule 1).
  - Summary of Accumulated Depreciation of Fixed Capital - Road and Equipment for the Year Ended June 30, 1958 (Schedule 2).
  - Unmatured Bonded Debt, June 30, 1958 (Schedule 3).
- Statement of Income for the Years Ended June 30, 1958 and 1957, and Comparison (Exhibit B).
- Statement of Surplus for the Year Ended June 30, 1958 (Exhibit C).
- Notes to Financial Statements.

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and related statements of income and surplus present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We present the following comments:

OPERATIONS

Operations for the year ended June 30, 1958 resulted in a loss of $3,030,106 as compared with a loss of $1,929,892 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	...Year Ended June 30... 1958	1957	Increase (Decrease)
Operating income:			
Passenger revenue	$19,620,619	$20,033,834	$ (413,215)
Advertising, rents, etc	221,499	208,428	13,071
Total operating income	19,842,118	20,242,262	(400,144)
Operating expenses	22,788,616	21,973,174	815,442
Loss from operations	2,946,498	1,730,912	1,215,586
Other expenses	255,700	252,802	2,898
Total	3,202,198	1,983,714	1,218,484
Other income	172,092	53,822	118,270
Net loss	$ 3,030,106	$ 1,929,892	$1,100,214

Statistical records of the Railway show the mileage traveled during the past two years by the various types of equipment operated as follows:

Type of Equipment	Year Ended June 30 1958 Mileage	1958 Per Cent of Total	1957 Mileage	1957 Per Cent of Total	Increase (Decrease) Mileage
Electric street-cars:					
Two-man	763,261	2.81	1,844,002	6.79	(1,080,741
One-man	2,601,352	9.59	1,774,549	6.53	826,803
Total	3,364,613	12.40	3,618,551	13.32	(253,938
Motor coaches	14,844,787	54.74	13,999,127	51.54	845,660
Trolley coaches	8,502,388	31.35	9,175,785	33.78	(673,397
Cable cars	409,950	1.51	367,899	1.36	42,051
Total	27,121,738	100.00	27,161,362	100.00	(39,624

Operating income and expenses are expressed in cents per mile of operation as follows:

	Cents Per Mile Year Ended June 30 1958	1957	Increase (Decrease
Operating income:			
Passenger revenue	72.343	73.759	(1.416)
Advertising, rents, etc	.817	.767	.050
Total operating income	73.160	74.526	(1.366)
Operating expenses:			
Maintenance and repairs:			
Way and structures	2.878	2.793	.085
Equipment	7.948	8.198	(.250)
Total	10.826	10.991	(.165)
Power	6.738	6.906	(.168)
Conducting transportation	42.564	41.075	1.489
General and miscellaneous	9.019	8.834	.185
Payroll taxes	.963	.900	.063
Total	70.110	68.706	1.404
Provision for accident claims	6.149	5.532	.617
Depreciation	3.894	3.836	.058
Rent of leased motor coaches	3.737	2.825	.912
Rent of leased streetcars	.134		.134
Total operating expenses	84.024	80.899	3.125
Loss from operations	10.864	6.373	4.491

Operating income - passenger revenue in 1958 was $413,215 less than 1957. The decrease was attributable principally to a 1.5% decrease in number of revenue passengers carried and a minor decrease in the average fare for the year. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in number of revenue passengers carried (2,159,560, times the average fare of the preceding year, or $.140865)	$304,206
Decrease in revenue due to decrease in average fare (number of revenue passengers carried during the year, 140,060,356, times the decrease in the average fare of $.000778)	109,009
Total	$413,215

The increase and decrease in operating expenses for 1958 as compared with 1957 for each of the major account classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease) In Operating Expenses		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures	$ 21,960	$ 25,740	$ (3,780)
Equipment	(71,157)	(61,807)	(9,350)
Total	(49,197)	(36,067)	(13,130)
Power	(48,485)	(14,599)	(33,886)
Conducting transportation	387,738	389,368	(1,630)
General and miscellaneous	46,985	60,575	(13,590)
Payroll taxes	16,700		16,700
Total	353,741	399,277	(45,536)
Provision for accident claims	165,215		165,215
Depreciation	14,230		14,230
Rent of leased motor coaches	245,925		245,925
Rent of leased streetcars	36,331		36,331
Increase in operating expenses	$815,442	$399,277	$416,165

Total payroll costs in 1958 were more than 1957 because of increases in rates of pay effective July 1, 1957. The comparative rates applicable to the principal payroll classifications follow:

Classification	Number Employed*	Period	Rates Effective During Fiscal Year 1957-1958*	Rates Effective During Fiscal Year 1956-1957
Platform men	1950	Hour	$ 2.244	$ 2.10
Trackmen	42	Day	20.04	18.60
Shop mechanics	32	Day	19.96	18.87
Senior shop mechanics	91	Day	23.48	22.20
Automotive mechanics	62	Week	110.70	107.50
Automotive machinists	39	Week	115.70	112.50
Car cleaners	89	Month	$310-$355	$285-$330
Inspectors	103	Month	410- 470	385- 445
General clerks	95	Month	300- 360	285- 340

* In accordance with wage and salary ordinance for 1957-1958.

Rates of pay increased but payroll costs for maintenance and repairs of equipment decreased $61,807 in 1958 mainly as a result of the substitution of the newer sixty-six used one-man streetcars and additional new leased diesel coaches for older motor coaches and two-man streetcars which coaches and streetcars were retired. During the year the older equipment was operated approximately 2,000,000 fewer miles than in the preceding year with a comparable increase in mileage by the newer leased equipment.

The decrease of $14,599 in payroll costs for power was accounted for by the elimination of the cable power house at California and Hyde Streets during 1958. Power for both the California and Mason cable lines was provided by the Washington and Mason power house.

The net decrease in other power expenses consisted of the following:

Decrease in expense for electricity used in streetcar, trolley coach, and cable car operations - net.....		$45,136
Less:		
Increase in expense for gasoline and diesel fuel used in motor coach operations.....	$2,254	
Increase in miscellaneous other power expenses.....	8,998	11,252
Decrease in power expenses - net.....		$33,884

Statistical records of the Railway indicated that the electrical power expense decrease resulted primarily from the types of equipment involved having been in service 114,747 fewer hours than in the preceding year, the rates per kilowatt hour remaining substantially constant.

Gasoline and diesel fuel expense increased $2,254 (or .24%); however, statistical records show that motor coaches were operated an additional 845,660 miles in 1958 (or an increase of 6.04%). This resulted from increased use of leased diesel coaches aggregating 1,956,929 miles at an average fuel cost per mile of $.04332 and decreased use of other coaches aggregating 1,111,269 miles at an average fuel cost per mile of $.08700.

Provision for accident claims increased $165,215 as a result of adjusting the provision rate to 8-1/2% in 1958 from 7-1/2% in 1957, applied to decreased gross passenger revenue in 1958.

Rent expense of leased coaches increased $245,925. The increase was caused by the additional miles these coaches were operated during the year, inasmuch as rentals are paid in advance and are charged to operations on a per mile basis.

FINANCIAL POSITION

The financial position of the Railway at June 30, 1958, presented in detail in Exhibit A, is summarized and compared with the financial position at June 30, 1957 in the following statement:

	June 30		Increase (Decrease)
	1958	1957	
Assets:			
Fixed capital (net value)	$ 15,131,549	$ 15,764,149	$ (632,600)
Cash	2,984,858	4,690,105	(1,705,247)
Accounts receivable	79,730	73,452	6,278
Deferred charges:			
Materials and supplies	636,261	672,164	(35,903)
Prepaid rentals of leased motor coaches	1,182,190	1,142,860	39,330
Prepaid rentals of leased streetcars	669,467		669,467
Commitments	900,729	1,327,584	(426,855)
Other	99,829	12,792	87,037
Total	$ 21,684,613	$ 23,683,106	$(1,998,493)
Liabilities:			
Bonded debt	$ 9,036,200	$ 10,670,200	$(1,634,000)
Bond interest payable	69,399	79,472	(10,073)
Accounts payable, commitments, etc	2,476,500	3,274,711	(798,211)
Estimated liabilities	2,829,896	2,835,350	(5,454)
Deferred credits	39,115	12,178	26,937
Contributed surplus	21,319,686	17,867,272	3,452,414
Deficit from operations	(14,086,183)	(11,056,077)	3,030,106
Total	$ 21,684,613	$ 23,683,106	$(1,998,493)

The decrease in cash at June 30, 1958 as compared with June 30, 1957 was accounted for as follows:

Funds applied:		
Loss for year		$3,730,106.04
Less non-cash charges to operations:		
Depreciation	$1,056,028.47	
Obsolescence of materials and supplies	41,735.73	1,097,764.20
Net funds applied to loss for year		1,932,341.84
Increase in accounts receivable		6,277.43
Additions to fixed capital assets		794,561.88
Increase in deferred charges, including valuation adjustment of $41,735.73 charged to operations - see above		374,812.38
Redemption of bonded debt		1,634,000.00
Decrease in bond interest payable		10,072.68
Decrease in accounts payable		798,210.40
Decrease in estimated liabilities - net		5,454.09
Total funds applied		5,555,730.70
Funds provided:		
Contributions from General Fund of the City and County of San Francisco - from general taxes for operating expenses		3,452,413.72
Proceeds from the sale of fixed capital assets	177,905.86	
Less gain on the sale of fixed capital assets	51,844.56	126,061.30
Decrease in construction in progress		245,072.16
Increase in deferred credits		26,937.27
Total funds provided		3,850,484.45
Decrease in cash at June 30, 1958		$1,705,246.25

FIXED CAPITAL (LESS ACCUMULATED DEPRECIATION, $21,606,256.37) - $15,131,549.19

The recorded value of the Railway's investment in fixed capital assets, other than construction work in progress, at June 30, 1958, and the related accumulated depreciation are set forth in Schedules 1 and 2.

The fixed capital assets are recorded in the accounts principally at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for $150,000 from general funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway was made as of June 30, 1953 to determine the probable useful life, the values, and the reasonable annual depreciation based upon a revision of the previous appraisal made as of June 30, 1948. During the fiscal years ended June 30, 1954 and 1955, the net adjustments to the recorded values and accumulated depreciation resulting from this appraisal were recorded. It is anticipated that a similar appraisal as of June 30, 1958 will be made during the fiscal year ending June 30, 1959 and the resultant net adjustments recorded.

In connection with the appraisal as of June 30, 1953, the engineering report prepared by the Public Utilities Commission Engineers showed that the recorded values of non-operated track, roadway, and underground conduit amounted to $2,497,988.49, all fully depreciated. Retirements of $2,019,798.94 of the above assets and related depreciation have been made during the five years ended June 30, 1958 leaving a balance of $478,189.55.

In addition, fully depreciated track, roadway, underground conduit, distribution system, poles, and fixtures with a recorded cost of $970,823.60 were taken out of service since the appraisal as a result of the substitution of leased diesel coaches for two-man street cars formerly used on the Geary Street line. The retirement of these assets made during the current year amounted to $314,189.00 leaving a balance of $656,634.60.

Also taken out of service during the year ended June 30, 1958 were twenty-one two-man streetcars, substantially fully depreciated, with a recorded cost of $368,468.70. We understand that all the two-man streetcars will be retired during the fiscal year ending June 30, 1959.

The Railway follows the practice of first recording depreciation of an addition to fixed assets in the year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions to road and equipment accounts during the year ended June 30, 1958 were as follows:

Way and structures:		
Shifting slot rail and acquisition of cable car track - special work on California Street	$473,215.18	
Installation of wyes and curves for J, K, and N streetcar lines	88,259.43	
Cable car spider assembly for use at power plant	5,653.48	
Installation of cable car track curves at Hyde and Washington Streets and Hyde and Jackson Streets	3,200.89	
Construction of cable car turntable at Beach and Hyde Streets	1,084.89	
Miscellaneous	1,430.07	
Total		$572,843.94
Equipment:		
Shop	21,769.80	
Office	8,085.81	
Miscellaneous	5,918.37	
Total		35,773.98
Power - Power plant equipment at California Cable Division		185,943.96
Total		$794,561.88

Recorded retirements to road and equipment accounts during the year ended June 30, 1958 are summarized in the following:

	Road and Equipment	Accumulated Depreciation
Way and structures:		
Cable car house, land, and buildings at California and Hyde Streets	$ 518,885.75	$ 437,929.80
Track, etc.:		
Geary Street, from Presidio Avenue to Thirty-third Avenue and Second Avenue, from Geary Street to Cornwall Street	314,189.00	308,075.74
Cable car track on California Street, from Market Street to Van Ness Avenue	245,223.00	242,985.38
Geary Street carhouse, in part	17,744.26	13,475.41
Motor coach turnaround at Highway One and Holy Cross Cemetery	1,547.99	619.20
Trolley poles:		
From Market Street Extension	780.81	741.77
Others	854.42	811.70
Sidewalk and parking meter pipe standards on the Embarcadero	76.69	19.15
Total	1,099,301.92	1,004,658.15
Equipment:		
Electric two-man streetcars - 70	846,237.25	825,237.25
Motor coaches - 28	373,144.82	367,278.91
Trolley coaches - 9	117,336.86	115,986.86
Furniture and office equipment (including $25,746.63 at cost and accumulated depreciation of $24,563.14, retired as a result of a physical inventory)	27,109.11	25,925.62
Automobiles - 4	4,886.03	4,641.73
Fare box - 1	149.95	87.12
Total	1,368,864.02	1,339,157.49
Power - Power plant equipment at Washington and Mason Streets cable car house	54,762.00	53,051.00
Total	$2,522,927.94	$2,396,866.64

In accordance with a lease agreement with the St. Louis Public Service Company, sixty-six used one-man electric streetcars were received and put into operation during the year. These streetcars replaced ninety-two owned two-man electric streetcars, of which seventy were retired, twenty-one were taken out of service, and one was converted for other than passenger use.

We understand that motor coaches owned by the Railway will be retired as new leased diesel coaches are delivered and put into service, the number to be retired being determined as fleet requirements dictate.

The Railway's supplemental records showed that rolling stock was composed of the following equipment at June 30, 1958:

Streetcars (one-man):		
Owned	40	
Leased	66	
Total		106
Motor coaches:		
Owned	288	
Leased	240	
Total		528
Trolley coaches - owned		380
Cable cars - owned		41
Total		1,055

CASH - $2,984,858.24

Cash at June 30, 1958 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund	$2,913,861.92
1947 Municipal Railway Rehabilitation bond fund	53,668.82
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund	1,850.00
Issue of December 1, 1913	232.50
Geary Street issue of 1910	22.50
Market Street issue of 1910	22.50
Bond redemption fund - Issue of December 1, 1913	200.00
Total on deposit with Treasurer	2,969,858.24
Revolving funds	15,000.00
Total	$2,984,858.24

Funds on deposit with the Treasurer as shown by the Railway's records were reconciled to a copy of the Treasurer's report prepared by the audit staff of the Controller's Office.

Revolving fund bank accounts were verified by certifications obtained from the depositaries and reconciled with the books. Cash funds were counted or were confirmed by correspondence with the custodians.

ACCOUNTS RECEIVABLE - $65,212.19

The detail of the principal accounts receivable at June 30, 1958 was as follows:

Fielder, Sorenson & Davis (advertising revenue)..	$21,345.44
United States Post Office Department (balance for quarter ended June 30, 1958 under contract to furnish transportation to mail carriers).....	18,163.50
Johnson & Higgins of California (insurance refund).....	8,512.28
San Francisco Unified School District (charter service).....	6,790.10
State of California (job reimbursement).....	2,925.14
Pacific Gas and Electric Company (pole rental)...	2,855.88
Swinerton & Walberg (job reimbursement).....	1,610.89
Crown Zellerbach Corporation (job reimbursement).	1,495.95
Other.....	1,513.01
Total.....	$65,212.19

Requests for confirmation of the balances in their accounts as of June 30, 1958 were mailed to various debtors, and satisfactory replies were received for balances totaling $32,713.60. Of the remaining balances, approximately 80% were compared with evidence of collection during July and August 1958. Based on this procedure it appears that no losses will be incurred in the collection of the accounts receivable at June 30, 1958.

MATERIALS AND SUPPLIES - $636,260.77

The above represented the book valuation of inventories of materials and supplies aggregating $636,259.77 and metal tokens carried in the accounts at the nominal amount of $1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1958, adjusted for subsequent receipts and issues to June 30, 1958. We were informed that physical counts were made by employees at various times during the year and that perpetual inventory records were adjusted to such counts. The inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Our tests of the quantities in the inventory included a review of the perpetual records, as adjusted to employees' counts, and test counts of quantities selected at random. Inventory pricing and computations were also tested by us.

PREPAID RENTAL OF LEASED
MOTOR COACHES - $1,182,190.11

On May 16, 1955 the Railway entered into a contract with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made as scheduled in the agreement over a period commencing December 1, 1955 and ending July 31, 1960. As of June 30, 1958, statistical records showed that 240 coaches had been received and placed in service, and that these coaches have operated 17,922,413 miles. The prepaid amount which consisted of advanced rental, interest, freight, and use taxes, will be applied to future operations on the basis of miles of operation.

PREPAID RENTAL OF LEASED STREETCARS - $669,467.07

On April 24, 1957 the Railway entered into a contract with the St. Louis Public Service Company for the lease over a period of nine years of sixty-six used one-man electric streetcars, all of which we understand were received and put into service at June 30, 1958. The $669,467.07 consisted of advanced rental and related charges and will be applied to operations over the remaining life of the lease.

ESTIMATED LIABILITY FOR ACCIDENT CLAIMS - $2,668,251.27

Changes in this account during the year ended June 30, 1958 were as follows:

Balance, July 1, 1957		$2,649,416.78
Provision for accidents		1,667,752.58
Total		4,317,169.36
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	$1,135,969.82	
Services of City Attorney's office	155,038.20	
Claims department payroll	197,744.15	
Cost of excess liability insurance coverage	160,165.92	1,648,918.09
Balance, June 30, 1958		$2,668,251.27

Provision for accident claims has for several years been made on the basis of 7-1/2% of gross passenger revenue.

In view of the continuing decline in passenger revenue, however, with no accompanying decrease in accident claims presented, and the continuing increase in claim awards, beginning in the year ended June 30, 1958, the provision rate was adjusted upward to 8-1/2% of gross passenger revenue. Our examination of the history of claims presented compared with claim payments indicated that the balance at June 30, 1958 appeared adequate to meet payments reasonably to be expected under claims unsettled

at June 30, 1958. In this connection, should passenger revenue continue to decline with no decrease in claims and claim awards, future consideration should be given to a further upward adjustment of the provision rate in order to preserve the adequacy of the account balance.

ESTIMATED LIABILITY FOR EMPLOYEES' COMPENSATION CLAIMS - $161,000.00

The amount of this account has been established on the basis of information with respect to the aggregate of compensation claims of employees estimated to be outstanding at June 30, 1958, as furnished by the City and County of San Francisco Employee Retirement System.

Yours truly,

Haskins & Sells

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1958

A S S E T S

FIXED CAPITAL (Note 1):		
Road and equipment (Schedule 1)	$36,702,738.51	
Less accumulated depreciation (Schedule 2)	21,606,256.37	
Road and equipment - net	15,096,482.14	
Construction in progress	35,067.05	
Total fixed capital		$15,131,549.19
CASH:		
On deposit with Treasurer	2,969,858.24	
Revolving funds	15,000.00	
Total cash		2,984,858.24
ACCOUNTS RECEIVABLE		65,212.19
INTERFUND ACCOUNTS RECEIVABLE:		
Due from General City and County	11,527.45	
Due from other public service enterprises	2,990.16	
Total interfund accounts receivable		14,517.61
DEFERRED CHARGES:		
Materials and supplies - principally at average cost and at estimated scrap or useful value	636,260.77	
Prepaid rental of leased motor coaches	1,182,190.11	
Prepaid rental of leased streetcars	669,467.07	
Other deferred charges	99,829.55	
Uncompleted contracts, purchase orders, and other commitments (see contra)	900,728.66	
Total deferred charges		3,488,476.16
TOTAL		$21,684,613.39

L I A B I L I T I E S

BONDED DEBT:		
Unmatured bonds (Schedule 3):		
Maturing within one year	$ 1,654,000.00	
Maturing subsequent to June 30, 1959	7,382,000.00	
Total	9,036,000.00	
Matured bonds not presented for payment	200.00	
Total bonded debt		$ 9,036,200.00
BOND INTEREST PAYABLE:		
Accrued but not due	67,271.47	
Matured coupons not presented for payment	2,127.50	
Total bond interest payable		69,398.97
ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:		
Outstanding warrants and payroll deductions	1,058,507.72	
General creditors	146,509.41	
Accrued salaries and wages	2,640.25	
Accrued social security taxes	13,062.22	
Uncompleted contracts, purchase orders, and other commitments (see contra)	900,728.66	
Total accounts payable, accrued liabilities, and commitments		2,121,448.26
INTERFUND ACCOUNTS PAYABLE:		
Due to General City and County	290,040.51	
Due to other public service enterprises	65,011.44	
Total interfund accounts payable		355,051.95
ESTIMATED LIABILITIES (reserves):		
Accident claims	2,668,251.27	
Employees' compensation claims	161,000.00	
Outstanding tokens	644.67	
Total estimated liabilities		2,829,895.94
DEFERRED CREDITS		39,114.91
SURPLUS (Exhibit C):		
Contributed surplus	21,319,686.03	
Less deficit from operations	14,086,182.67	7,233,503.36
TOTAL		$21,684,613.39

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME

FOR THE YEARS ENDED JUNE 30, 1958 AND 1957, AND COMPARISON

	YEAR ENDED JUNE 30		
	1958	1957	INCREASE (DECREASE)
OPERATING INCOME:			
Passenger revenue	$19,677,510.67	$20,333,804.47	$ (656,293.80)
Advertising revenue	155,340.00	165,240.00	(9,900.00)
Rents	15,744.38	15,744.38	
Other	49,615.34	48,611.84	1,003.50
Total	19,898,110.39	20,563,400.69	(665,290.30)
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures	780,583.58	788,474.41	(7,890.83)
Equipment	2,155,673.92	2,231,808.59	(76,134.67)
Total	2,936,257.42	3,020,283.00	(84,025.58)
Power	1,827,363.53	1,871,240.73	(43,877.20)
Conducting transportation	11,544,103.63	11,854,574.43	(310,470.80)
General and miscellaneous	2,446,189.53	2,494,870.43	(48,680.90)
Payroll taxes	261,201.69	844,111.85	(582,910.16)
Total	19,015,125.80	18,884,180.97	130,944.83
Provision for accident claims	1,667,752.58	1,502,334.58	165,418.00
Depreciation (Schedule 2)	1,056,028.47	1,041,788.30	14,240.17
Rent of leased motor coaches	1,013,370.03	767,452.70	245,917.33
Rent of leased streetcars	36,330.79		36,330.79
Total	22,788,615.67	21,573,754.55	1,214,861.12
LOSS FROM OPERATIONS	2,890,505.28	1,010,353.86	1,880,151.42
OTHER EXPENSES:			
Interest on bonded debt	182,051.07	200,969.95	(18,918.88)
Loss on fixed capital assets retired	31,913.38	48,856.13	(16,942.75)
Obsolescence of materials and supplies	41,135.73	18,046.88	23,088.85
Total	255,100.18	267,872.96	(12,772.78)
Total	3,202,198.33	1,278,226.82	1,923,971.51
OTHER INCOME:			
Interest on bank balances	24,190.58	37,153.97	(12,963.39)
Gains from sales of fixed capital assets, proceeds from sale of scrap, and sundry income	130,766.22	88,788.27	41,977.95
Net adjustments to prior years' losses	17,145.40	(53,917.75)	71,063.15
Total	172,092.20	72,024.49	100,067.71
NET LOSS	$ 3,030,106.04	$ 1,206,202.33	$1,823,903.71

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1958

CONTRIBUTED SURPLUS:		
Balance, July 1, 1957	$17,867,272.31	
Contributions from General Fund of the City and County of San Francisco - from general taxes	3,452,413.72	
Balance, June 30, 1958		$21,319,686.03
DEFICIT FROM OPERATIONS:		
Balance, July 1, 1957	11,056,076.63	
Net loss for year	3,030,106.04	
Balance, June 30, 1958		14,086,182.67
NET SURPLUS, JUNE 30, 1958		$ 7,233,503.36

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1958

1. FIXED CAPITAL

Fixed capital - road and equipment - is stated at appraisal valuations as of June 30, 1953 plus subsequent additions at cost. Accumulated depreciation is stated at amounts determined by appraisal as of June 30, 1953 plus subsequent additions at rates based upon the estimated useful lives of the various classes of assets as determined by the appraisal or estimated for capital additions acquired subsequent to the appraisal.

No city or county property taxes or franchise taxes are paid by the Railway in the operation of its business.

The fixed capital accounts at June 30, 1958 included non-operated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately $1,135,000 and non-operated equipment, substantially fully depreciated, of approximately $369,000. The amount of non-operated facilities included in the power classification has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1958 amounted to $1,056,028.47.

Certain of the motor coaches in operation are leased and under the terms of the contract additional coaches are to be leased and placed in operation. Each fleet of coaches is leased to the Railway for a period of six years with annual rentals computed on a mileage basis. Total rentals and related charges for the coaches in operation amounted to $1,013,378.03 for the year ended June 30, 1958. Sixty-six used one-man electric streetcars are leased for a period of nine years from dates placed in service. The basic annual rental is on a per individual car basis and $36,330.79 was charged to operations during the year ended June 30, 1958.

(Continued) - 1

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees. The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1958, amounted to approximately $933,000, and were made in amounts on the basis of actuarial computations adequate to provide pensions for employee upon retirement. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.

(Concluded) - 2

MUNICIPAL RAILWAY OF SAN FRANCISCO

SCHEDULE 1

SUMMARY OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1958

	BALANCE JULY 1, 1957	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1958
WAY AND STRUCTURES:					
Right of way	$ 157,632.33				$ 157,632.33
Other land	1,131,869.70		$ 79,500.00		1,052,369.70
Grading	686,756.73	$ 35,734.50	51,594.00		670,897.23
Ballast	346,931.95	4,737.60	24,291.00		327,378.55
Ties	220,292.88	4,253.52	9,222.00		215,324.40
Rails, rail fastenings, and joints	1,145,800.29	14,122.53	77,830.00		1,082,092.82
Special track work	435,936.00	59,375.28	30,729.00		464,582.28
Underground construction	1,640,316.85	311,958.86	178,118.00		1,774,157.71
Track and roadway labor	1,617,197.44	71,881.49	71,956.00		1,617,122.93
Paving	1,178,058.53	56,957.10	106,496.00		1,128,519.63
Roadway machinery and tools	66,287.10				66,287.10
Tunnels and subways	14,987.49				14,987.49
Bridges, trestles, and culverts	4,334.85				4,334.85
Crossings, fences, and signs	4,113.01				4,113.01
Signals and interlocking apparatus	13,335.76				13,335.76
Communication systems	54,180.99			$ 140.60	54,321.59
Poles and fixtures	1,436,483.96	4,523.46	1,635.23		1,439,372.19
Underground conduits	459,246.79				459,246.79
Distribution system	3,801,710.25	8,806.95	9,176.00		3,801,341.20
General office buildings - cable cars	21,080.00		21,080.00		
Shops, carhouses, and garages	5,314,072.47	492.65	436,050.01	1,123.95	4,879,639.06
Stations - miscellaneous buildings and structures	174,087.20		1,624.68		172,462.52
Total	19,924,712.57	572,843.94	1,099,301.92	1,264.55	19,399,518.14
EQUIPMENT:					
Electric streetcars	1,881,425.24		551,917.00	(11,312.67)	1,318,195.57
Cable cars	329,001.48				329,001.48
Motor coaches	5,113,234.33		373,144.82	(16,148.50)	4,723,941.01
Trolley coaches	7,479,465.82		117,338.86		7,362,126.96
Fare boxes	155,984.00		149.95		155,834.05
Service equipment - electric	73,467.04			11,418.87	84,885.91
Electric equipment of streetcars and trolley coaches	889,757.14		294,320.25		595,436.89
Shop equipment	815,066.48	21,769.80	47.38		836,788.90
Furniture and office equipment	25,408.37	8,385.81	27,106.31	(1,812.44)	4,875.43
Automotive and miscellaneous service equipment	258,424.22	3,918.27	4,888.07	(6,147.80)	251,306.62
Total	17,121,228.12	34,073.88	1,369,062.64	(24,004.54)	15,862,234.82
POWER:					
Substation buildings	174,044.24				174,044.24
Power plant equipment - cable cars	154,736.00	183,943.86	36,787.80		301,892.06
Substation equipment	732,615.34				732,615.34
Transmission system	3,883.74				3,883.74
Total	1,065,279.32	183,943.86	36,787.80		1,212,435.38
TOTAL	$38,111,220.01	$790,861.68	$2,505,152.36		$36,474,188.34

Reference is made to Note 1 of Notes to Financial Statements

MUNICIPAL RAILWAY OF SAN FRANCISCO

SCHEDULE 2

SUMMARY OF ACCUMULATED DEPRECIATION OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1958

	BALANCE JULY 1, 1957	PROVISION FOR YEAR	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1958
WAY AND STRUCTURES:					
Grading	$ 319,027.47	$ 30,802.29	$ 51,594.00		$ 298,235.76
Ballast	253,858.82	7,085.53	24,291.00		236,653.35
Ties	145,240.61	5,803.00	9,222.00		141,821.61
Rails, rail fastenings, and joints	793,244.13	22,897.76	72,381.90		743,759.99
Special track work	269,453.98	10,611.00	30,093.21		249,971.77
Underground construction	1,386,256.10	12,617.81	177,227.41		1,221,646.50
Track and roadway labor	851,669.20	57,945.44	71,956.00		837,658.64
Paving	810,272.94	28,140.19	106,496.00		731,917.13
Roadway machinery and tools	56,049.21	673.76			56,722.97
Tunnels and subways	14,987.49				14,987.49
Bridges, trestles, and culverts	3,467.84	108.37			3,576.21
Crossings, fences, and signs	2,078.11	228.34			2,306.45
Signals and interlocking apparatus	7,645.97	567.18			8,213.15
Communication systems	41,063.32	4,463.90		$ 140.60	45,667.82
Poles and fixtures	747,146.81	24,946.04	1,553.47		770,539.38
Underground conduits	284,799.99	8,433.02			293,233.01
Distribution system	1,520,596.21	93,067.35	7,799.60		1,605,863.96
General office buildings - cable cars	20,855.81	224.19	21,080.00		
Shops, carhouses, and garages	2,434,469.07	102,519.44	430,325.21	1,123.95	2,107,787.25
Stations - miscellaneous buildings and structures	77,571.13	6,105.23	638.35		83,038.01
Total	10,039,754.21	417,239.84	1,004,658.15	1,264.55	9,453,600.45
EQUIPMENT:					
Electric streetcars	1,180,992.98	58,675.91	537,917.00	(10,912.67)	690,839.22
Cable cars	321,365.48				321,365.48
Motor coaches	5,062,163.30	1,855.12	367,278.91	(15,997.60)	4,680,741.91
Trolley coaches	3,690,177.30	487,044.92	115,986.86		4,061,235.36
Fare boxes	81,228.14	9,650.89	87.12		90,791.91
Service equipment - electric	72,532.63	49.77		10,912.67	83,495.07
Electric Equipment of streetcars and trolley coaches	609,211.16	19,882.53	287,320.25		341,773.44
Shop equipment	595,854.92	29,029.47		47.89	624,932.28
Furniture and office equipment	197,536.40	6,928.81	25,925.62	(1,312.44)	177,227.15
Automotive and miscellaneous service equipment	199,994.16	10,880.01	4,641.73	15,997.60	222,230.04
Total	12,011,056.47	623,997.43	1,339,157.49	(1,264.55)	11,294,631.86
POWER:					
Substation buildings	275,756.62	7,663.33			283,419.95
Power plant equipment - cable cars	148,589.00		53,051.00		95,538.00
Substation equipment	465,204.22	7,127.87			472,332.09
Transmission system	6,734.02				6,734.02
Total	896,283.86	14,791.20	53,051.00		858,024.06
TOTAL	$22,947,094.54	$1,056,028.47	$2,396,866.64		$21,606,256.37

Reference is made to Note 1 of Notes to Financial Statements.

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT
JUNE 30, 1958

	INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	...PRINCIPAL AMOUNT OUTSTANDING... JUNE 30, 1958	
REHABILITATION ISSUE OF 1947:					
Series A (dated February 1, 1948)....	2-1/2%	$433,000.00	February 1, 1959-63	$2,165,000.00	$2,165,000.00
Series B (dated August 1, 1948)... ..	1-3/4%	559,000.00	August 1, 1958	559,000.00	
	2%	559,000.00	August 1, 1959-60	1,118,000.00	
	2%	560,000.00	August 1, 1961-63	1,680,000.00	3,357,000.00
Series C (dated March 1, 1949)... ...	1-1/2%	480,000.00	March 1, 1959-64	2,400,000.00	2,400,000.00
Series D (dated August 1, 1949)	1-1/4%	104,000.00	August 1, 1958-60	312,000.00	
	1-1/2%	104,000.00	August 1, 1961-64	416,000.00	728,000.00
Series E (dated November 1, 1949).....	1-1/4%	38,000.00	November 1, 1958-61	152,000.00	
	1-1/2%	38,000.00	November 1, 1962-64	114,000.00	266,000.00
Series G (dated March 1, 1952)... ..	1-1/4%	120,000.00	March 1, 1959	120,000.00	120,000.00
			TOTAL.		$9,036,000.00

San Francisco School Department

(A Unified School District)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1958

MEMBER
AMERICAN INSTITUTE OF ACCOUNTANTS

BENJAMIN H. HICKLIN
CERTIFIED PUBLIC ACCOUNTANT
408 RUSS BUILDING
SAN FRANCISCO 4

October 24, 1958

Honorable Harry D. Ross, Controller

City and County of San Francisco,

San Francisco, California

Dear Sir:

According to the terms of our engagement, we have examined the accounts and records of the San Francisco Unified School District for the fiscal year ended June 30, 1958.

There are presented herewith for your consideration:

EXHIBIT A COMBINED PROPRIETARY BALANCE SHEET - JUNE 30, 1958

EXHIBIT B STATEMENT OF SURPLUS - CURRENT FUND
For the fiscal year ended June 30, 1958

EXHIBIT C STATEMENT OF SURPLUS - CAPITAL FUNDS
For the fiscal year ended June 30, 1958

EXHIBIT D CURRENT FUND - COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
For the fiscal years ended
June 30, 1958 and June 30, 1957

EXHIBIT E FUNDS BALANCE SHEET - JUNE 30, 1958

EXHIBIT F RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1958

EXHIBIT G NOTES TO THE FINANCIAL STATEMENTS - JUNE 30, 1958

together with Schedules 1 to 4, inclusive, in analysis thereof.

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Explanatory comments relative to the Exhibits and Schedules listed above, follow:

COMBINED PROPRIETARY BALANCE SHEET - EXHIBIT A

CASH $16,606,232 comprised the aggregate of School Fund balances on deposit with the Treasurer, cash transfers outstanding, Revolving Funds, the Hume Foundation, together with the Bond Interest and Redemption Funds applicable to School bonds issued by the City and County of San Francisco. These balances are summarized in Exhibit A, with details in Schedule 1 and Schedule 2. The following shows the fund balances at June 30, 1958 by groups:

Balances on Deposit with Treasurer -			
Current Fund - Exhibit A			$ 8 686 403
Capital Funds - Exhibit A			6 297 477
1948 School Bond Fund	$ 509 680		
1956 School Bond Fund	5 610 837		
Real Property Fund	176 960		
Special Funds - Schedule 1			453 324
Child Care Centers	181 803		
School Cafeterias	260 783		
County School Service	10 738		
Trust Funds - Schedule 2			679 463
Withholding Tax	495 667		
Teachers' Annuity	22 775		
Teachers' Retirement	18 673		
Fund for Advancement of Education	105 402		
Miranda Lux Foundation	21 963		
Anna Steinberg Trust	1 046		
Will C. Steinbrunn Bequest	13 862		
Veterans' Education	75		
Total Cash on Deposit with Treasurer			$ 16 116 667
Cash Transfers Outstanding - Exhibit A			470 963
Revolving Funds - Exhibit A			5 500
School District Revolving Funds	3 000		
Cafeteria Revolving Funds	2 500		
Hume Foundation Trust Fund - deposited in American Trust Company - Exhibit A			161
Total School District Cash			$ 16 593 291

Forward

		Forward $ 16 593 291
Balances in the Bond Interest and Redemption funds of the City and County of San Francisco included in the Proprietary Balance Sheet as an offset to bonds and interest payable		12 941
Bonds matured - unpaid - Schedule 1	$ 7 000	
Bond interest matured- unpaid - Schedule 1	5 941	
TOTAL CASH - JUNE 30, 1958 - EXHIBIT A		$ 16 606 232

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn against those funds before July 1, 1958, but not presented to the Treasurer for payment before July 1, 1958 are shown as liabilities of the various funds in Exhibit A.

Cash transfers outstanding represents the aggregate of amounts in transfer between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1958, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE, $ 871,052 represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1958, as follows:

Delinquent taxes and penalties		$ 309 336
Secured	$ 309 336	
Unsecured	521 782	
Total Taxes and Penalties	$ 831 118	
Less Reserve for unsecured taxes	521 782	
Other Accounts Receivable - Current Fund		491 850
Federal grant for school construction	125 054	
Tuition due from other counties and districts-		
Amount due, but not billed at June 30, 1958	240 603	
Tuition for prior years, not collected	482	
Federal subvention for aid to local education- estimated	100 000	
Federal subvention for vocational training of Veterans	5 254	
Student teacher training program	9 345	
Disputed salary payments of prior years, recoverable at termination of employment	5 857	
Miscellaneous	5 255	
	Forward	

		Forward
Child Care Centers - State Apportionment		$ 23 641
School Cafeterias		46 225
Federal grant	$ 43 015	
Undeposited sales receipts	2 608	
Miscellaneous	602	
TOTAL ACCOUNTS RECEIVABLE - JUNE 30, 1958 - EXHIBIT A		$ 871 052

Secured taxes and penalties have been recorded as assets and have been credited to income when assessed. All other accounts receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income only after collection.

Federal grant for school construction, $125,054, is the balance of a grant of $1,250,531 for the construction of the Pelton Junior High School, formerly the Silver and Thomas Avenues Elementary School. Instalments are received on this grant as the construction of the school progresses.

INVENTORY - STORES - AT COST, $787,626 comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1957, January 31, 1958, February 28, 1958, and March 31, 1958. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of the inventory taking.

INVENTORY - SHOP - AT COST, $34,076 comprises the following:

Refinished furniture, not reissued	$ 5 268
Shop orders in process of completion	6 339
Materials and supplies	22 469
TOTAL INVENTORY - SHOP - JUNE 30, 1958 - EXHIBIT A	$ 34 076

FIXED CAPITAL PROPERTIES, $113,949,441, is the aggregate recorded cost or valuation of land, buildings, improvements and equipment as shown

by the Controller's records as of June 30, 1958. Net additions during the fiscal year ended June 30, 1958 and the accumulated ledger values are summarized, as follows:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District records -				
1948 School Bond Fund	$ 1 593 703		$ 1 424 715	$ 168 988
1956 School Bond Fund	480 221	226 611	253 610	
Current Fund	1 893 644	5 851	1 417 131	470 662
Child Care Centers Fund	9 547			9 547
Real Property Fund	41 630	41 630		
County School Service Fund	1 810			1 810
Total Additions	$ 4 020 555	$ 274 092	$ 3 095 456	$ 651 007
Deductions -				
Net reduction due to properties sold or otherwise disposed of - (see explanatory note)	$ 312 302	$ 206 535	$ 70 485	$ 35 282
Other reconciling items	1 710	1 710		
Total Deductions	$ 314 012	$ 208 245	$ 70 485	$ 35 282
Net additions per Controller's records for the fiscal year ended June 30, 1958	$ 3 706 543	$ 65 847	$ 3 024 971	$ 615 725
Add accumulated ledger values at July 1, 1957	110 242 898	14 158 285	85 858 456	10 226 157
TOTALS - JUNE 30, 1958 - PER CONTROLLER'S RECORDS - EXHIBIT A	$113 949 441	$14 224 132	$88 883 427	$10 841 882

Note - The reduction for land and buildings sold or otherwise disposed of includes $91,436 applicable to the preceding fiscal year.

We did not test the cost of additions acquired through the 1948 School Bond Fund or the 1956 School Bond Fund as these funds were subject to examination by the certified public accountants engaged to examine the Controller's records.

At June 30, 1958 Fire and General Coverage Insurance in force on the School District Properties was $86,637,000. Effective July 1, 1958 it was increased to $89,310,000. We obtained an independent verification that the coverage, as stated, was in force on the dates stated.

BOND INTEREST PAYABLE AND ACCRUED, $247,201, represents:

Matured coupons - not presented by bondholders	$ 5 941
Interest accrued - not due at June 30, 1958	241 260
Total	$ 247 201

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and the interest thereon are a general obligation of the City and County of San Francisco. The bonds and interest are shown on the Proprietary Balance Sheet, Exhibit A, because those obligations were incurred for the acquisition of the Fixed Properties of the School District. This practice has been followed in prior years and the interest accrued but not due, $241,260, is recorded as a deferred charge at June 30, 1958.

DEFERRED CREDIT - PROVISION FOR SICK LEAVES AND VACATIONS EARNED, $67,817, is the estimated obligation of the School District for the sick leaves and vacations earned by the Cafeteria employees before July 1, 1958.

BONDED DEBT, $44,296,000, is the aggregate of School bonds outstanding at June 30, 1958, after considering the sales and redemptions during the fiscal year ended June 30, 1958, as shown by the Controller's records, as follows:

	Int. Rate	Balance July 1, 1957	Sold	Redeemed	Balance June 30, 1958
AUTHORIZED IN 1922					
Issued					
Mar. 1, 1923	5.00%	$ 3 003 000	$	$ 296 000	$ 2 707 000*
AUTHORIZED in 1948					
Issued					
Mar. 1, 1949-A	1.25	900 000		900 000	Nil
Mar. 1, 1949-A	1.50	3 000 000			3 000 000
Apr. 1, 1951-B	1.75	6 938 000		779 000	6 159 000
Mar. 1, 1952-C	1.50	7 600 000		240 000	7 360 000
Dec. 1, 1952-D	1.75	9 000 000		275 000	8 725 000
Aug. 1, 1953-E	2.50	3 840 000		320 000	3 520 000
Mar. 1, 1954-F	1.00	200 000		200 000	Nil
Mar. 1, 1954-F	1.25	1 000 000			1 000 000
Mar. 1, 1954-F	1.50	800 000			800 000
Mar. 1, 1954-F	1.75	400 000			400 000
Apr. 1, 1955-G	6.00	100 000		100 000	Nil
Apr. 1, 1955-G	1.75	3 700 000			3 700 000
Apr. 1, 1957	6.00	130 000		65 000	65 000
Apr. 1, 1957	2.25	130 000			130 000
Apr. 1, 1957	2.50	730 000			730 000
AUTHORIZED IN 1956					
Issued					
Nov. 1, 1957-A	3.00	Nil	4 800 000		4 800 000
Nov. 1, 1957-A	4.75	Nil	400 000		400 000
Nov. 1, 1957-A	6.00	Nil	800 000		800 000
Totals		$41 471 000	$6 000 000	$3 175 000	$44 296 000

* Includes $7,000. matured but unpaid at June 30, 1958.

SURPLUS - EXCESS OF ASSETS OVER LIABILITIES - $82,187,453, comprises the Current Surplus, Capital Surplus, Special Funds and Trust Funds detailed in Exhibit A and summarized as follows:

	Assets	Liabilities	Surplus
Current Fund	$ 11 776 826	$ 5 820 599	$ 5 956 227
Capital Funds	123 281 371	47 420 588	75 860 783*
Special and Trust Funds	1 965 593	1 595 150	370 443
Totals	$137 023 790	$54 836 337	$82 187 453

* Principally represented by land, buildings and equipment.

CONTINGENT LIABILITIES - INSURANCE

The School District does not carry general public liability insurance. The legal adviser of the School District advised us that he estimated the District's contingent liability for the school year 1958-59 would be $100,000.

The School District does not carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco advised us that the unsettled workmen's compensation claims at June 30, 1958 approximated $103,000.

We examined the insurance policies, other than fire, in force at June 30, 1958 which included the following:

Rental income - Lincoln Building - Fire and extended coverage. Actual rental not to exceed	$ 354,000
Loss of specific property (camera and borrowed property)	2,513
Automobiles (including driver training program autos):	
Bodily injury (including non-ownership coverage)	$200,000/500,000
Property damage	100,000
Fire and theft	Cash value
Collision (driver training vehicles only)	$100 deductible
Child Care Centers	
Bodily injury	$100,000/1,000,000
Property damage	$5,000/25,000
Boiler	
City College	500,000
High Schools - each	250,000
All other schools - each	100,000
Valuable records	
Other than monies and securities	50,000
Blanket fidelity bond - each loss	25,000
Additional fidelity bond coverage	
Superintendent of Schools	25,000
Chief of Budget Division	15,000
Supervisor of Accounts	6,000
Board of Education members - each	2,500
Workmen's compensation	Statutory
General liability - warehouse	$100,000/200,000
Typographical Equipment	12,265

REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal years ended June 30, 1958 and June 30, 1957 is presented in Exhibit D, Schedule 3 and Schedule 4. The following is a summary of the comparative statements:

REVENUES	Fiscal years ended June 30,1958	June 30,1957	Increase (Decrease)
Property Taxes and Penalties*	$27 506 041	$25 512 989	$1 993 052
State of California -			
School funds apportionment	13 077 036	11 781 289	1 295 747
Retirement subventions	1 941 621	1 018 652	922 969
Other Revenues	2 008 490	2 337 281	(328 791)
Total Revenues - Schedule 3	$44 533 188	$40 650 211	$3 882 977
Less Total Operating Expenses	41 161 918	39 772 783	1 389 135
Balance	$ 3 371 270	$ 877 428	$2 493 842
Less Net Capital Outlays from Current Fund	1 476 602	927 264	549 338
Excess of Revenues over Expenditures, which was applied annually to Surplus	$ 1 894 668	$ (49 836)	$1 944 504

Note - Items in ( ) denote decreases or deficit.

* The School District tax rates for the General Fund and assessed valuations for the tax years 1956-57 and 1957-58 were as follows:

1956-57 tax rate $1.972106 - assessed valuation $1,305,520,897
1957-58 do do 2.043149 - assessed valuation 1,339,059,312

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, certain excess expenses of educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1958 was, as follows:

	Totals	Elementary Schools	High Schools	City College
Average daily attendance - residents - see Notes 1 and 2	92,160	60,140	26,110	5,910
$125.00 per pupil	$11 520 000	$7 517 500	$3 263 750	$738 750
Apportionment based upon increase in attendance over that of the prior year - see Note 3	$ 529 399	$ 327 702	$ 164 641	$ 37 056
Apportionment for excess expense of educating handicapped children:				
Physically handicapped -				
Average daily attendance	840	712	128	
Extra expense - not over $600.00 per pupil	$ 500 547	$ 424 273	$ 76 274	
Mentally retarded -				
Average daily attendance	1 303	972	331	
Extra expense - not over $200.00 per pupil	$ 258 814	$ 193 068	$ 65 746	
Severely mentally retarded-				
Average daily attendance	135	135		
Extra expense - not over $450.00 per pupil	$ 60 334	$ 60 334		
Transportation expense of Certain handicapped children -				
Average daily attendance	367	367		
Expense to district - not over $350.00 per pupil	$ 119 112	$ 119 112		
Total for handicapped children	$ 938 807	$ 796 787	$ 142 020	
Automobile driver training - Number of pupils trained	2,538		2,538	
Apportionment - see Note 5	$ 88 830		$ 88 830	
Total State Apportionments	$13 077 036	$8 641 989	$3 659 241	$775 806

Explanatory Notes -

1- Attendance and apportionment data applicable to evening schools and the continuation school are included in the column for high schools above.

Explanatory Notes -

2- Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1957.

3- The increase in average daily attendance is based on attendance reports for periods ended in December and April of the fiscal year ended June 30, 1958.

4- In the fiscal year 1957-58 the aggregate of the claims for excess expense of educating handicapped children exceeded the total available for this purpose. The apportionments for excess expense of educating handicapped children were reduced proportionately and the school districts received 99.211794% of the amounts claimed.

An amended report has been filed to correct a clerical error in the report for apportionment of excess expense of educating Handicapped children which will result in a reduction of the apportionment for the next fiscal year.

5- The apportionment for automobile driver training is the lower of:

(a) Actual cost, or
(b) $35.00 times the number of pupils trained, but not to exceed the enrollment in grades 10, 11 or 12, whichever is greater.

A comparison of the average daily attendance for the past three years follows:

	1957-58	1956-57	1955-56
Elementary Schools	62,829	60,140	58,634
High Schools	27,673	26,110	24,792
City College	6,194	5,910	5,869
Totals	96,696	92,160	89,315

We examined the reports submitted to the State Department of Education as a basis for the State apportionment for the fiscal year 1958-59 and have tested the records in support thereof to satisfy ourselves that they fairly presented the average daily attendance during the fiscal year ended June 30, 1958.

The average daily attendance during the fiscal year ended

June 30, 1958 will be the basis for apportionment for the fiscal year ending June 30, 1959, as follows:

	Total	Elementary Schools	High Schools	City College
Total average daily attendance	96,696	62,829	27,673	6,194
Handicapped children -				
Physically handicapped	805	678	127	
Mentally retarded	1,338	828	510	
Severely mentally retarded	138	138		
Requiring special transportation	382	382		
Automobile driver training -				
Number of pupils trained	2,642		2,642	

Direct revenues increased $3,910,686 during the fiscal year ended June 30, 1958 as compared with the year 1957.

Instruction salaries increased $2,524,585 during the fiscal year ended June 30, 1958. Contributions to the City Retirement System decreased $1,416,917 and the contributions to the State Teachers' Retirement System increased $56,744. The decrease in contributions to the City Retirement System was due, in part, to legislation enacted in 1957. Current contributions to the City Retirement System are credited for certain public reserves released as the result of teachers electing to retire under the State Teachers' Retirement System instead of retiring under the San Francisco Retirement System.

Capital Outlays from Current Fund increased $549,338 for the fiscal year ended June 30, 1958, compared with the preceding year.

GENERAL COMMENTS

CHILD CARE CENTERS

25 Child Care Centers were operated during the fiscal year ended June 30, 1958, with a total enrollment of 1,276 children at June 30, 1958. The average daily attendance during the fiscal year ended June 30, 1958 was 1,309. The total hours of child attendance

for the years ended June 30, 1958 and June 30, 1957 follows:

	Fiscal years ended June 30,1958	June 30,1957	Increase (Decrease)
Hours of attendance			
Nursery (under 5 years, 9 months old)	1,127,547	1,059,875	67,672
School age (over 5 years, 9 months old)	1,062,339	1,020,317	42,022
Total hours of attendance	2,189,886	2,080,192	109,694

A comparative statement of revenues and expenditures of the Child Care Centers for the fiscal years ended June 30, 1958 and June 30, 1957, follows:

	Fiscal years ended June 30,1958	June 30,1957	Increase (Decrease)
REVENUES			
State Apportionment	$ 523 616	$ 468 368	$ 55 248
Fees from parents	335 998	359 629	(23 631)
District taxes	247 357	205 120	42 237
Federal grants	11 483	11 126	357
Miscellaneous	2 601	2 310	291
TOTAL REVENUES	$1 121 055	$1 046 553	$ 74 502
EXPENDITURES			
Administration	$ 71 017	$ 67 086	$ 3 931
Instruction	636 266	619 296	16 970
Auxiliary services	17 977	17 791	186
Operation	142 013	140 394	1 619
Maintenance	17 133	17 310	(177)
Fixed charges	12 599	12 050	549
Food	191 813	178 804	13 009
Capital outlays	9 547	15 477	(5 930)
TOTAL EXPENDITURES	$1 098 365	$1 068 208	$ 30 157
EXCESS OF REVENUES OVER EXPENDITURES	$ 22 690	$ (21 655)	$ 44 345

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund for the year ended June 30, 1958 were as follows:

Revenue from State Apportionment		$166 604
Revenue from San Francisco Unified School District		56 429
Total Revenue		$223 033
Less Expenditures		212 295
Office of County Superintendent of Schools	$ 8 120	
Bureau of Research	9 319	
Audio-Visual Education	163 621	
Library Service	14 996	
Budgeting and Accounting	7 845	
Special Administrative Expenses	1 480	
Teachers Institute	1 914	
Unexpended Balance - County School Service Fund - June 30, 1958		$ 10 738

CAFETERIAS

46 complete cafeteria units and 22 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1958.

A comparative statement of income and expenditures of the School Cafeterias for the fiscal years ended June 30, 1958 and June 30, 1957 follows:

	Fiscal years ended		Increase
REVENUES	June 30,1958	June 30,1957	(Decrease)
Sales - Cafeterias	$1 362 539	$1 274 786	$ 87 753
Sales - Mid-morning lunches	181 581	170 920	10 661
Contributions from the Department of Public Health of the City and County of San Francisco for mid-morning milk	5 600	8 150	(2 550
Federal grants			
Current year	256 368	254 585	1 783
Additional amounts applicable to prior years	923	1 700	(777
Other adjustments to recorded income of prior years	548	70	478
TOTAL REVENUES	$1 807 559	$1 710 211	$ 97 348
EXPENDITURES			
Cost of Food	$1 166 070	$1 049 925	$116 145
Salaries	493 884	456 127	37 757
Meals for student help	35 641	38 444	(2 803
Supplies and Expenses	65 020	60 510	4 510
Provision for sick leave and vacations	72 628	71 128	1 500
Adjustments to recorded expenses of prior years		3 154	(3 154
TOTAL EXPENDITURES	$1 833 243	$1 679 288	$153 955
BALANCE - NET INCOME	$ (25 684)	$ 30 923	$(56 607

The net income of the cafeterias is held in trust for cafeteria operations only.

ACADEMIC ATHLETIC ASSOCIATION

Receipts and disbursements of this student body activity during the fiscal year ended June 30, 1958 were as follows:

Cash Available - July 1, 1957		$ 2 088
Add Receipts		34 131
Admission fees	$ 32 373	
Programs	1 430	
Other receipts	328	
Total Available		$ 36 219
Less Expenses in connection with activities		23 017
Football expenses	$ 10 572	
Basketball expenses	5 834	
Swimming expenses	384	
Track expenses	1 230	
Baseball expenses	1 862	
Programs	1 264	
Miscellaneous expenses	1 871	
Balance		$ 13 202
Less Distributions to Schools		10 034
Balance June 30, 1958 - In Trust		$ 3 168

The balance of this fund at June 30, 1958 is deemed to be held in trust for those schools participating in the Academic Athletic Association.

STUDENT BODY FUNDS

The student body funds and the accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the School District's administrative office. We reviewed the audit program and working papers of audits made during the fiscal year and believe them to be adequate.

FUND FOR THE ADVANCEMENT OF EDUCATION $99,718.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized, as follows:

Cash on Deposit with the Treasurer July 1, 1957			$192 861
Deduct Outstanding Warrants			7 899
Cash Available at July 1, 1957			$184 962
Deduct Expenditures			85 244
Supervisor's salary		$ 7 355	
Fellowship payments (sustenance)		51 738	
Consultants' fees		4 664	
San Francisco State College		21 453	
Student fees	$ 4 519		
Supervisors' salary and expenses	16 216		
Clerical costs	718		
Technical publications		34	
Balance Available - June 30, 1958			$ 99 718
Treasurer's Balance June 30, 1958		$105 402	
Less Outstanding Warrants		5 072	
Unexpended Balance - June 30, 1958 - Per Exhibit A		$100 330	
Less amount due San Francisco Unified School District - General Fund - June 30, 1958		612	

In the trust agreement under which this grant was accepted and this trust fund was created provides that on July 1, 1959, or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

MIRANDA LUX FOUNDATION TRUST FUND $20,882.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized, as follows:

Cash on deposit with Treasurer - July 1, 1957			$ 28 177
Deduct Outstanding Warrants			5
Balance Available at July 1, 1957			$ 28 172
Add third instalment received April 3, 1958			25 000
Total Available			$ 53 172
Deduct Expenditures - net			32 290
Supervisor's and teachers' salaries		$ 17 919	
Laboratory assistants' salaries		3 669	
Supplies and other expenses - net		7 696	
Total Disbursements	$ 7 742		
Less sales of supplies to students	46		
Equipment purchased		3 006	
Balance Available - June 30, 1958			$ 20 882
Treasurer's balance - June 30, 1958		$ 21 963	
Less Outstanding Warrants		14	
Unexpended Balance - June 30, 1958		$ 21 949	
Less amount due San Francisco Unified School District - General Fund - June 30, 1958		1 067	

This fund was established on April 3, 1956 when the School District accepted a grant of $75,000 to establish a scientific laboratory in a high school. The grant was received by the School District in equal instalments of $25,000 in April of each of the years 1956, 1957 and 1958. If the agreement is terminated for any reason, any trust monies not expended or legally committed and any valuable pieces of equipment purchased with trust monies are to be returned to the Miranda Lux Foundation.

WILL C. STEINBRUNN BEQUEST $13,862.

The transactions in this Fund during the fiscal year ended June 30, 1958 are summarized as follows:

Cash on deposit with Treasurer - July 1, 1957		$ 10 176
Add Receipts		13 772
Proceeds from sale of land	$ 13 585	
Interest received on U. S. Certificate of Indebtedness	187	
Total Available		$ 23 948
Deduct Expenditures		10 086
Cost of $10,000 principal - 3.75% U. S. Certificate of Indebtedness due December 1, 1958	$ 10 066	
Interest accrued thereon	20	
Balance Available - June 30, 1958		$ 13 862

This fund represents a bequest of Will C. Steinbrunn to the City and County of San Francisco for educational purposes.

SCOPE OF THE EXAMINATION

Our examination included such tests of the School District's records and such other auditing procedures as we considered necessary in the circumstances.

The balances of bonds outstanding, bond interest funds, bond redemption funds and fixed capital properties accounts were taken from the records of the Controller of the City and County of San Francisco. Those funds and accounts were examined by independent certified public accountants engaged to examine the Controller's accounts.

Student Body Funds are maintained at various schools and at the City College. Such funds were the subject of internal audit, at regular intervals, under the direction of the School District's administrative office. We examined the audit program and the working papers of audits made by the administrative office for the fiscal year ended June 30, 1958 and consider the audit reports examined to be adequate.

OPINION

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statements of Surplus and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1958 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program and the working papers relating to our examination have been made available to Mr. David F. Supple, consultant and statistician for the County Grand Jury.

Very truly yours,

Certified Public Accountant.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT A

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1958

ASSETS	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds **
CASH					
On deposit with Treasurer	$ 16 129 608	$ 8 686 403	$ 6 297 477	$466 265	$ 679 463
Cash transfers outstanding	470 963				470 963
Revolving Funds	5 500	3 000		2 500	
Other - Hume Foundation	161				161
Total Cash	$ 16 606 232	$ 8 689 403	$ 6 297 477	$468 765	$1 150 587
ACCOUNTS RECEIVABLE					
Delinquent taxes and penalties	$ 831 118	$ 826 930	$	$ 4 188	
Less Reserve for unsecured property taxes	521 782	519 952		1 830	
Balance - Secured taxes and penalties	$ 309 336	$ 306 978	$	$ 2 358	
Other accounts and subventions (contra)	561 716	491 850		69 866	
Accounts Receivable - net	$ 871 052	$ 798 828	$	$ 72 224	
INTER-FUND ACCOUNTS	$ 2 238	$ 2 238			
INVENTORIES AND DEFERRED CHARGES					
Stores - at cost	$ 787 626	$ 787 626	$	$	$
Shop Inventory - at cost	34 076	34 076			
Unexpired Insurance	13 480	13 480			
Other supplies and expenses	35 278	34 340		938	
Bond interest accrued	241 260			241 260	
Uncompleted contracts and purchase orders (contra)	4 473 041	1 416 835	3 034 453	12 138	9 615
Total Inventories and Deferred Charges	$ 5 584 761	$ 2 286 357	$ 3 034 453	$254 336	$ 9 615
INVESTMENTS	$ 10 066				$ 10 066
FIXED CAPITAL PROPERTIES (SEE NOTE 1)	$113 949 441		$113 949 441		
TOTAL ASSETS	$137 023 790	$11 776 826	$123 281 371	$795 325	$1 170 268

LIABILITIES AND SURPLUS	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds **
BOND INTEREST PAYABLE AND ACCRUED (SEE NOTE 1)	$ 247 201	$	$	$247 201	$
ACCOUNTS PAYABLE AND COMMITMENTS					
Warrants and pay roll deductions outstanding	$ 3 551 369	2 801 214	97 135	$142 247	$ 510 773
Accounts Payable - materials and services	483 590	462 933		20 657	
Accounts Payable - Trust Funds	502 436				502 436
Uncompleted contracts and purchase orders (contra)	4 473 041	1 416 835	3 034 453	12 138	9 615
Total Accounts Payable and Commitments	$ 9 010 436	$ 4 680 982	$ 3 131 588	$175 042	$1 022 824
INTER-AGENCY ACCOUNTS					
Department of Public Works	$ 326 646	$ 324 374		$ 2 272	
Employees' Retirement System	242 704	242 704			
Other Agencies	81 491	80 601		890	
Total Inter-Agency Accounts	$ 650 841	$ 647 679		$ 3 162	
INTER-FUND ACCOUNTS	$ 2 238			$ 559	$ 1 679
DEFERRED CREDITS					
Accounts Receivable (contra)	$ 561 716	$ 491 850		$ 69 866	
Provision for sick leave and vacations earned	67 817			67 817	
Other Credits	88	88			
Total Deferred Credits	$ 629 621	$ 491 938		$137 683	
BONDED DEBT (SEE NOTE 1)	$ 44 296 000		$ 44 289 000	$ 7 000	
SURPLUS - PER EXHIBITS B AND C (SEE NOTES 2 AND 3)	$ 82 187 453	$ 5 956 227	$ 75 860 783	$224 678	$ 145 765
TOTAL LIABILITIES AND SURPLUS	$137 023 790	$11 776 826	$123 281 371	$795 325	$1 170 268

* Details of the various funds are shown on Schedule 1.
** Details of the various funds are shown on Schedule 2.

The notes to the financial statements, in Exhibit C, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT B

STATEMENT OF SURPLUS - CURRENT FUND

For the fiscal year ended June 30, 1958

BALANCE - JULY 1, 1957 - PER REPORT DATED OCTOBER 25, 1957	$ 4 061 559
ADD EXCESS OF REVENUE OVER EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 1958 - PER EXHIBIT D	1 894 668
BALANCE - JUNE 30, 1958 - TO EXHIBIT A (SEE NOTE 2)	$ 5 956 227

EXHIBIT C

STATEMENT OF SURPLUS - CAPITAL FUNDS

For the fiscal year ended June 30, 1958

BALANCE - JULY 1, 1957 - PER REPORT DATED OCTOBER 25, 1957		$71 065 085
Deduct cost or assigned values of properties sold, transferred or retired during the fiscal year ended June 30, 1957, not previously reported		91 436
ADJUSTED SURPLUS - JULY 1, 1957		$70 973 649
Add capital expenditures from non-capital funds, per San Francisco Unified School District records		1 487 959
Current Fund - per Schedule 4	$1 476 602	
Child Care Centers Fund	11 357	
Add contributions by taxpayers to pay bonded debt matured during the fiscal year ended June 30, 1958		3 169 000
Add proceeds from sales of property during the fiscal year ended June 30, 1958		451 040
Total		$76 081 648
Deduct cost, or assigned values, of properties sold during the fiscal year ended June 30, 1958		220 865
BALANCE - JUNE 30, 1958 - TO EXHIBIT A		$75 860 783

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT D

CURRENT FUND

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended June 30,1958	Fiscal years ended June 30,1957	Increase (Decrease)
REVENUES - PER SCHEDULE 3	$ 44 533 138	$ 40 650 211	$ 3 882 927
OPERATING EXPENDITURES			
Administration	$ 1 046 768	$ 1 021 444	$ 25 324
Instruction	29 376 707	26 860 658	2 516 049
Auxiliary Service	395 284	357 336	37 948
Operations	3 425 783	3 128 769	297 014
Maintenance	1 863 234	1 969 719	(106 485)
Fixed Charges	3 718 475	5 091 347	(1 372 872)
Transportation of Pupils	321 351	303 353	17 998
Food Service	154 388	170 312	(15 924)
Community Services	296 043	278 511	17 532
Tuition Paid to Other Districts	57 902	57 537	365
Total Direct Expenditures	$ 40 655 935	$ 39 238 986	$ 1 416 949
Auxiliary (Indirect) Services Contributed by Department of Public Health	503 383	533 640	(30 257)
Rosenberg Television Project		157	(157)
John A. Lenehan Scholarship Fund	452		452
San Francisco Foundation - Group Relations Project	2 148		2 148
Less Total Operating Expenditures - per Schedule 4	$ 41 161 918	$ 39 772 783	$ 1 389 135
BALANCE	$ 3 371 270	$ 877 428	$ 2 493 842
NET CAPITAL OUTLAY FROM CURRENT FUNDS - PER SCHEDULE 4	1 476 602	927 264	549 338
EXCESS OF REVENUE OVER EXPENDITURES- TO EXHIBIT B	$ 1 894 668	$ (49 836)	$ 1 944 504

Note - Items in ( ) denote decreases.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

FUNDS BALANCE SHEET AS OF JUNE 30, 1958

(As shown by the Accounts of the Controller)

ASSETS

	Total	Cash Available	Accounts Receivable	Construct. Grant Receiv.	Inter-fund Accts.	Unsold Bonds	Deferred Charge	Invest-ments
CURRENT FUNDS	$ 6 962 352	$ 5 885 189	$ 949 196	$ 125 054	$ 2 238	$	$ 675	$
CAPITAL FUNDS								
Real Property	$ 176 960	$ 176 960				$		
1948 School Bond	503 096	503 096						
1956 School Bond	26 520 286	5 520 286				21 000 000		
Total Capital Funds	$27 200 342	$ 6 200 342				$21 000 000		
OTHER FUNDS								
Withholding Tax	$ 467 521	$ 467 521	$					$
Child Care Center	138 161	110 332	27 829					
Cafeteria	236 232	190 007	46 225					
Teachers' Annuity	16 090	16 090						
Teachers' Permanent Fund for Advancement of Education	100 330	100 330						
Miranda Lux Found.	21 949	21 949						
Anna Steinberg	1 046	1 046						
Will C. Steinbrunn	24 125	13 862	197					10 066
Veterans' Education	30	30						
County School Service	10 738	10 738						
Total Other Funds	$ 1 035 047	$ 950 730	$ 74 251					$ 10 066
TOTAL ASSETS	$35 197 741	$13 036 261	$ 1 023 447	$ 125 054	$ 2 238	$21 000 000	$ 675	$ 10 066

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

LIABILITIES

	Total	Encumbrances	Interagency Accounts	Interfund Accts.	Reserve for Taxes and Pen.*	Fund Balances: Appropriated but Unencumbered	Fund Balances: Unappropriated	Trust and Agency Balances
CURRENT FUNDS	$ 6 962 352	$ 1 995 634	$ 309 402	$	$519 952	$ 241 259	$3 896 105	$
CAPITAL FUNDS								
Real Property	$ 176 960	$	$			$ 18 834	$ 158 126	
1948 School Bond	503 096	223 916	5 932			228 560	44 688	
1956 School Bond	26 520 286	2 468 996	23 075			22 816 958	1 211 257	
Total Capital Funds	$27 200 342	$ 2 692 912	$ 29 007			$23 064 352	$1 414 071	
OTHER FUNDS								
Withholding Tax	$ 467 521	$	$	$	$	$	$	$467 521
Child Care Center	138 161	35 281	676	482	1 830	5 013	94 879	
Cafeteria	236 232			77		5 000	231 155	
Teachers' Annuity	16 090							16 090
Teachers' Permanent	18 825							18 825
Fund for Advancement of Education	100 330	7 365		612				92 353
Miranda Lux Found.	21 949	2 250		1 067				18 632
Anna Steinberg	1 046							1 046
Will C. Steinbrunn	24 125							24 125
Veterans' Education	30							30
County School Service	10 738					10 738		
Total Other Funds	$ 1 035 047	$ 44 896	$ 676	$ 2 238	$ 1 830	$ 20 751	$ 326 034	$638 622
TOTAL LIABILITIES	$35 197 741	$ 4 733 442	$ 339 085	$ 2 238	$521 782	$23 326 362	$5 636 210	$638 622

* Reserve for Delinquent Taxes and Penalties.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1958

ASSETS

	Total	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Inventories and Deferred Charges	Invest-ments	Fixed Capital Properties
PROPRIETARY BALANCE SHEET - EXHIBIT A	$137 023 790	$16 606 232	$ 871 052	$ 2 238	$	$ 5 584 761	$ 10 066	$113 949 441
ADD								
Unsold 1956 School Bonds	$ 21 000 000	$	$		$21 000 000			
Reserve for unsecured property taxes	521 782		521 782					
Interest accrued on investment	197		197					
Deferred charge	675					675		
Total Additions	$ 21 522 654	$	$ 521 979		$21 000 000	$ 675		
DEDUCT								
Fixed capital properties	$113 949 441	$	$			$		$113 949 441
Warrants and pay roll deductions outstanding	3 551 369	3 551 369						
Revolving funds	5 500	5 500						
Hume Foundation Trust Fund	161	161						
Bond interest and redemption funds	12 941	12 941						
Accounts receivable - Tuition from other counties and districts not billed	240 603		240 603					
Disputed salary payments of prior years, recoverable at termination of employment	3 927		3 927					
Inventories and deferred charges	5 584 761					5 584 761		
Total Deductions	$123 348 703	$ 3 569 971	$ 244 530			$ 5 584 761		$113 949 441
FUNDS BALANCE SHEET - EXHIBIT E	$ 35 197 741	$13 036 261	$1 148 501	$ 2 238	$21 000 000	$ 675	$ 10 066	$ Nil

The notes to the financial statements in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET AS OF JUNE 30, 1958

LIABILITIES AND SURPLUS

	Total	Bond Interest Payable and Accrued	Accounts Payable and Encumbrances	Inter-agency Accounts	Inter-fund Accounts	Deferred Credits	Bonded Debt	Balance of Funds
PROPRIETARY BALANCE SHEET - EXHIBIT A	$ 137 023 790	$ 247 201	$ 9 010 436	$ 650 841	$ 2 238	$ 629 621	$ 44 296 000	$ 82 187 453
ADD								
Unsold 1956 School Bonds	$ 21 000 000					$		$ 21 000 000
Reserve for unsecured property taxes	521 782					521 782		
Interest accrued on investments	197							197
Deferred charges	675							675
Total Additions	$ 21 522 654					$ 521 782		$ 21 000 872
DEDUCT								
Bonded debt and surplus invested in fixed capital properties	$ 113 949 441	$	$	$		$	$ 44 289 000	$ 69 660 441
Warrants and pay roll deductions outstanding	3 551 369		3 551 369					
Accounts payable - Trust Funds			502 436					(502 436)
Revolving funds	5 500							5 500
Bonds matured - unpaid	7 000						7 000	
Bond interest matured - unpaid	5 941	5 941						
Bond interest accrued - not due		241 260						(241 260)
Hume Foundation Trust Fund	161							161
Accounts receivable deferred credits -								
Items not recorded in Controller's records	244 530					244 530		
Items credited to income by Controller						317 186		(317 186)
Other deferred credits not deferred by Controller						67 905		(67 905)
Inventories and deferred charges	5 584 761							5 584 761
Excess of accounts payable and encumbrances shown by School District records over these obligations as shown by the Controller's records			223 189	311 756				(534 945)
Total Deductions	$ 123 348 703	$ 247 201	$ 4 276 994	$ 311 756		$ 629 621	$ 44 296 000	$ 73 587 131
FUNDS BALANCE SHEET - EXHIBIT B	$ 35 197 741	$ Nil	$ 4 733 442	$ 339 085	$ 2 238	$ 521 782	$ Nil	$ 29 601 194

Unencumbered appropriations	$ 23 [illegible]
Unappropriated balances	5 [illegible]
Trust Funds	[illegible]
Total	$ 29 [illegible]

Note - Items in ( ) denote deductions.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT G

NOTES TO THE FINANCIAL STATEMENT - JUNE 30, 1958

1- Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report. Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Proprietary Balance Sheet, Exhibit A, because the proceeds of the bonds were used to acquire School District properties. The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2- The Surplus of the Current Fund at June 30, 1958 comprised:

Appropriations to be carried forward into the next fiscal year			$ 3 430 247
Expenditures committed		$ 3 426 487	
Expenditures not yet committed - appropriation for Pelton Junior High School		2 144	
San Francisco Foundation - Group Relations Project		853	
Other		763	
Unappropriated			2 525 980
Available only for capital outlay purposes		538 778	
Balance - July 1, 1957	$ 121 738		
Sales of land	417 040		
Available for general purposes		1 987 202	
Surplus of the Current Fund - June 30, 1958			$ 5 956 227

3- At June 30, 1958 the contingent liability for personal injury claims was estimated by the legal advisor to the Board of Education to be not in excess of $100,000.00.

At June 30, 1958 the contingent liability for workmen's compensation claims pending was estimated by the Retirement Board of the City and County of San Francisco to be approximately $103,000.00.

4- Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

5- The Board of Education, on March 26, 1957, accepted a grant of $7,500.00 from the San Francisco Foundation to be used over five terms and is for a special study pertaining to group relationships in the schools, in order to obtain the most effective instructional program for the schools. The grant is payable $1,500.00 before the beginning of the fall term of 1957 and $1,500.00 every six months thereafter. During the fiscal year ended June 30, 1958 payments aggregating $3,000.00 were received. This grant is in the nature of a trust, but it has been carried as a part of the Current Fund for accounting purposes. $2,147.50 was expended during the fiscal year ended June 30, 1958 and the balance, $852.50, is included in the appropriations carried forward at July 1, 1958.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1958

ASSETS	Totals	SPECIAL FUNDS: Child Care Centers	School Cafeterias	County School Service	Bond Interest and Redemption - Note 1: 1923	1948	1956
CASH							
On deposit with Treasurer	$ 466 265	$ 181 803	$ 260 783	$ 10 738	$ 7 925	$ 2 016	$ 3 000
Revolving funds	2 500		2 500				
Total Cash	$ 468 765	$ 181 803	$ 263 283	$ 10 738	$ 7 925	$ 2 016	$ 3 000
ACCOUNTS RECEIVABLE							
Delinquent taxes and penalties	$ 4 188	$ 4 188	$				
Less Reserve for unsecured property taxes	1 830	1 830					
Balance - Secured taxes and penalties	$ 2 358	$ 2 358					
Other accounts and subventions (contra)	69 866	23 641	46 225				
Accounts Receivable - Net	$ 72 224	$ 25 999	$ 46 225				
DEFERRED CHARGES							
Other supplies and expenses	$ 938	$	$ 938	$	$	$	$
Bond interest accrued	241 260				45 000	161 093	35 167
Uncompleted contracts and purchase orders (contra)	12 138	12 138					
Total Deferred Charges	$ 254 336	$ 12 138	$ 938	$	$ 45 000	$ 161 093	$ 35 167
TOTAL ASSETS	$ 795 325	$ 219 940	$ 310 446	$ 10 738	$ 52 925	$ 163 109	$ 38 167
LIABILITIES AND SURPLUS							
BOND INTEREST PAYABLE AND ACCRUED	$ 247 201	$	$	$	$ 45 925	$ 163 109	$ 38 167
ACCOUNTS PAYABLE AND COMMITMENTS							
Warrants and pay roll deductions outstanding	$ 142 247	$ 71 471	$ 70 776				
Accounts Payable - materials and services	20 657	20 657					
Uncompleted Contracts and purchase orders (contra)	12 138	12 138					
Total Accounts Payable and Commitments	$ 175 042	$ 104 266	$ 70 776				
INTER-AGENCY ACCOUNTS							
Department of Public Works	$ 2 272	$ 2 272	$				
Other Agencies	890	890					
Total Inter-Agency Accounts	$ 3 162	$ 3 162	$				
SAN FRANCISCO UNIFIED SCHOOL DISTRICT - CURRENT FUND	$ 559	$ 482	$ 77				
DEFERRED CREDITS							
Accounts Receivable (contra)	$ 69 866	$ 23 641	$ 46 225				
Provision for sick leave and vacations earned	67 817		67 817				
Total Deferred Credits	$ 137 683	$ 23 641	$ 114 042				
BONDED DEBT	$ 7 000				$ 7 000		
SURPLUS	$ 224 678	$ 88 389	$ 125 551	$ 10 738			
TOTAL LIABILITIES AND SURPLUS	$ 795 325	$ 219 940	$ 310 446	$ 10 738	$ 52 925	$ 163 109	$ 38 167

The notes to the Financial Statements in Exhibit C are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 2

PROPRIETARY BALANCE SHEETS AS OF JUNE 30, 1958

TRUST FUNDS

	Cash With Treasurer	Other Cash Items In Transit	Uncompleted Contracts	Investments	Total Assets	Warrants Payable	Accounts Payable	Commitments	Total Liabilities	Unexpended Balances
Withholding Tax	$ 195 667	$ 437 [illegible]	$ [illegible]		$ 933 600	$ 466 079	$ 467 521		$ 933 600	$
Teachers' Annuity	22 775	14 198			36 973	20 883	16 090		36 973	
Teachers' Retirement	18 673	18 832			37 505	18 680	18 825		37 505	
Fund for Advancement of Education	105 402		7 365		112 767	5 072	* 612	7 365	13 049	99 718
Miranda Lux Foundation	21 963		2 250		24 213	14	* 1 067	2 250	3 331	20 882
Anna Steinberg Trust	1 046				1 046					1 046
Will C. Steinbrunn Bequest	13 862			10 066	23 928					23 928
Veterans' Education	75				75	45			45	30
Mume Foundation		161			161					161
TOTALS	$ 679 463	$ 471 124	$ 9 615	$ 10 066	$1 170 268	$ 510 773	$ 504 115	$ 9 615	$1 024 503	$ 145 765

* Due School District Current Fund.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 3

COMPARATIVE STATEMENT OF CURRENT FUND REVENUES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended June 30,1958	Fiscal years ended June 30,1957	Increase (Decrease)
PROPERTY TAXES AND PENALTIES	$ 27 506 041	$ 25 512 989	$ 1 993 052
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 4)			
Elementary Schools	$ 8 641 989	$ 7 781 559	$ 860 430
High Schools and City College	4 435 047	3 999 730	435 317
Retirements Subventions	1 941 621	1 018 652	922 969
Total Apportionments	$ 15 018 657	$ 12 799 941	$ 2 218 716
OTHER REVENUE (see Note 4)			
San Francisco Housing Authority - in lieu of taxes	$ 47 003	$ 32 867	$ 14 136
Federal and State vocational education subvention	62 331	61 812	519
Reimbursement for veterans' vocational training	60 542	65 801	(5 259)
Tuition from other counties and districts	147 483	184 626	(37 143)
Rentals	355 342	355 847	(505)
Public Law 874 and other Federal aid	354 230	394 258	(40 028)
Federal construction grant	375 159	625 265	(250 106)
Miscellaneous	100 017	82 713	17 304
Total Other Revenue	$ 1 502 107	$ 1 803 189	$ (301 082)
TOTAL DIRECT REVENUES	$ 44 026 805	$ 40 116 119	$ 3 910 686
John A. Lenehan Scholarship		452	(452)
San Francisco Foundation - Group Relations Project (see Note 5)	3 000		3 000
Auxiliary (Indirect) Revenue - Services of physicians, dentists and nurses of the Department of Public Health	503 383	533 640	(30 257)
TOTAL REVENUES - TO EXHIBIT D	$ 44 533 188	$ 40 650 211	$ 3 882 977

The notes to the financial statements, in Exhibit G, are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended June 30,1958	Fiscal years ended June 30,1957	Increase (Decrease)
ADMINISTRATION			
Salaries	$ 874 305	$ 816 522	$ 57 783
Supplies	63 375	59 716	3 659
Traveling Expenses	14 014	15 332	(1 318)
Other Expenses	95 074	129 874	(34 800)
Totals	$ 1 046 768	$ 1 021 444	$ 25 324
INSTRUCTION - SALARIES			
Supervision	$ 527 359	$ 476 211	$ 51 148
Elementary Schools	12 251 727	11 206 312	1 045 415
Special Schools	661 710	595 441	66 269
Junior High Schools	5 610 287	5 099 261	511 026
Senior High Schools	5 105 704	4 560 169	545 535
Adult Schools	990 865	927 790	63 075
Trade and Industrial Schools	478 148	425 556	52 592
Continuation School	199 934	183 258	16 676
City College	2 308 116	2 135 267	172 849
Totals	$ 28 133 850	$ 25 609 265	$ 2 524 585
INSTRUCTION - SUPPLIES AND OTHER EXPENSES			
Educational Supplies	$ 707 926	$ 718 426	$ (10 500)
Books	302 977	271 352	31 625
Traveling Expenses	26 417	25 189	1 228
Other Expenses	205 537	236 426	(30 889)
Totals	$ 1 242 857	$ 1 251 393	$ (8 536)
AUXILIARY SERVICES			
Compulsory Education	$ 206 275	$ 188 092	$ 18 183
Guidance Service Centers	121 784	107 280	14 504
Student Placement Service	26 892	25 099	1 793
Nurse Service	17 000	11 280	5 720
Health Classes and Other Expenses	23 333	25 585	(2 252)
Totals	$ 395 284	$ 357 336	$ 37 948
Totals Forward	$ 30 818 759	$ 28 239 438	$ 2 579 321

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended June 30,1958	June 30,1957	Increase (Decrease)
Totals Forward	$ 30 818 759	$ 28 239 438	$ 2 579 321
OPERATION			
Janitors, Engineers and Gardeners-			
Salaries	$ 2 425 729	$ 2 222 879	$ 202 850
Supplies	133 093	124 808	8 285
Gas and Electricity	408 323	379 937	28 386
Fuel	51 803	56 337	(4 534)
Water	62 909	59 463	3 446
Other Expenses	343 926	285 345	58 581
Totals	$ 3 425 783	$ 3 128 769	$ 297 014
MAINTENANCE			
Repairs -			
Buildings and Grounds	$ 1 507 606	$ 1 629 201	$ (121 595)
Janitors' Equipment	7 533	8 432	(899)
Educational Equipment	311 188	294 313	16 875
Other Expenses	36 907	37 773	(866)
Totals	$ 1 863 234	$ 1 969 719	$ (106 485)
FIXED CHARGES			
Rents	$ 8 376	$ 8 494	$ (118)
Insurance	33 607	39 392	(5 785)
Compensation and Accident Claims	47 273	42 299	4 974
Contributions to Retirement Systems-			
City	2 784 034	4 203 001	(1 418 917)
State	847 601	790 857	56 744
Other Expenses	(2 466)	7 304	(9 770)
Totals	$ 3 718 475	$ 5 091 347	$(1 372 872)
TRANSPORTATION OF PUPILS	$ 321 351	$ 303 353	$ 17 998
FOOD SERVICE			
Cafeteria Supervision	$ 75 494	$ 72 896	$ 2 598
Cafeteria Maintenance	34 312	44 905	(10 593)
Free Meals	26 946	34 640	(7 694)
Other Expenses	17 636	17 871	(235)
Totals	$ 154 388	$ 170 312	$ (15 924)
Totals Forward	$ 40 301 990	$ 38 902 938	$ 1 399 052

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 4 - Continued

CURRENT FUND

COMPARATIVE STATEMENT OF EXPENDITURES

For the fiscal years ended June 30, 1958 and June 30, 1957

	Fiscal years ended June 30,1958	June 30,1957	Increase (Decrease)
Totals Forward	$ 40 301 990	$ 38 902 938	$ 1 399 052
COMMUNITY SERVICES			
Recreation Program	$ 195 547	$ 186 594	$ 8 953
Veterans' Counseling	37 909	36 400	1 509
Civic Center Activities	62 587	56 517	6 070
Totals	$ 296 043	$ 278 511	$ 17 532
TUITION PAID TO OTHER DISTRICTS	$ 57 902	$ 57 537	$ 365
TOTAL DIRECT EXPENDITURES	$ 40 655 935	$ 39 238 986	$ 1 416 949
AUXILIARY (INDIRECT) SERVICES CONTRIBUTED BY DEPARTMENT OF PUBLIC HEALTH			
Medical Inspection	$ 40 121	$ 85 076	$ (44 955)
Dental Inspection	63 647	61 436	2 211
Nurse Services	399 615	387 128	12 487
Totals	$ 503 383	$ 533 640	$ (30 257)
ROSENBERG TELEVISION PROJECT	$	$ 157	$ (157)
JOHN A. LENEHAN SCHOLARSHIP FUND	$ 452	$	$ 452
SAN FRANCISCO FOUNDATION - GROUP RELATIONS PROJECT	$ 2 148	$	$ 2 148
TOTAL OPERATING EXPENDITURES - TO EXHIBIT D	$ 41 161 918	$ 39 772 783	$ 1 389 135
CAPITAL OUTLAYS FROM CURRENT FUND			
Land	$ 5 850	$ 25 453	$ (19 603)
Buildings and Improvements	1 417 131	499 179	917 952
Equipment	470 662	487 226	(16 564)
Totals	$ 1 893 643	$ 1 011 858	$ 881 785
Less Sales of Land and Buildings	417 041	84 594	332 447
NET CAPITAL OUTLAY FROM CURRENT FUND - TO EXHIBIT D	$ 1 476 602	$ 927 264	$ 549 338

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1958

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

September 25, 1958

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Examination of Accounts
Fiscal Year Ended June 30, 1958

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. David F. Supple, Grand Jury Statistician, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1958, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION

M. Steinbeck

MARTIN STEINBECK
SUPERVISING ACCOUNTANT

APPROVED:

Harry D. Ross

HARRY D. ROSS
CONTROLLER

The Treasurer's accountability for cash and securities as at June 30, 1958, amounted to $543,222,753.49 compared with June 30, 1957 total of $429,313,610.28.

Cash and Securities	June 30, 1958	June 30, 1957
Cash and cash items	$144,741,031.49	$101,214,888.28
Securities (Par Value)	398,481,722.00	328,098,722.00
Total (Exhibit "A")	$543,222,753.49	$429,313,610.28

CASH AND CASH ITEMS $144,741,031.49

Cash and Cash items (Exhibit "A"), are summarized as follows:

Cash and Cash Items	June 30, 1958	June 30, 1957
Cash and cash items on hand	$ 2,019,590.87	$ 2,664,998.49
Cash in banks	142,061,879.84	97,850,150.94
United States Bonds (Par Value)	96,550.00	68,750.00
Total	$144,181,020.71	$100,583,899.43
Cash items received after June 30, 1958 and applied to the fiscal year 1957-58	560,010.78	630,988.85
Total	$144,741,031.49	$101,214,888.28

The above $144,741,031.49 was reconciled with the Controller's available cash of $127,852,607.46; the difference of $16,888,424.03 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

Outstanding Items	General City	Public Service Enterprises	Total
Warrants outstanding	$14,056,425.78	$2,737,264.50	$16,793,690.28
Matured and unpaid bonds	7,000.00	22,200.00	29,200.00
Matured and unpaid coupons	14,440.00	51,093.75	65,533.75
Total	$14,077,865.78	$2,810,558.25	$16,888,424.03

CASH AND CASH ITEMS ON HAND

The sum of $2,019,590.87 consists of:

Item	Amount	Comments
Coin and currency	$ 808,571.64	Verified by count.
Checks on hand for deposit	1,211,019.23	All current; deposited in bank July 1, 1958
Total	$2,019,590.87	

CASH IN BANKS $142,064,879.84

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

Bank	Amount on Deposit			Per Cent
	Inactive	Active	Total	
American Trust Co.	$ 8,000,000.00	$ 3,775,113.70	$ 11,775,113.70	8.29%
Bank of America	30,050,000.00	35,460,357.39	65,510,357.39	46.12%
Bank of California	4,250,000.00	3,719,718.44	7,969,718.44	5.61%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	.70%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	.70%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.35%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	.91%
Crocker-Anglo Bank	14,875,000.00	7,113,095.34	21,988,095.34	15.48%
First Western Bank	6,500,000.00	4,087,775.97	10,587,775.97	7.45%
Hibernia Bank	250,000.00	250,000.00	500,000.00	.35%
Hongkong and Shanghai Bank	250,000.00	250,000.00	500,000.00	.35%
Pacific National Bank	2,750,000.00	1,000,000.00	3,750,000.00	2.64%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.35%
Wells Fargo Bank	10,500,000.00	4,683,819.00	15,183,819.00	10.70%
Total	$79,575,000.00	$62,489,879.84	$142,064,879.84	100.00%
Percentage of Total	56.02%	43.98%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

> "The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depositary. The term shall not exceed one year."

Supervisor's Resolution No. 3469, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposi of funds under his jurisdiction, and to determine the amount that shall be deposited i either active or inactive accounts.

The amounts on deposit in banks June 30, 1958, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

> "The deposit shall not exceed the total of the paid-up capital and surplus of any depositary."

Interest totaling $1,165,020.73 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (PAR VALUE) $96,550.00

United States Bonds representing Superior and Municipal Court bail deposits, include $16,850.00 for which court orders for release or forfeitures were issued.

CASH RECEIVED AFTER JUNE 30, 1958 $560,010.78

This item represents 1957-1958 collections which were deposited with the Treasurer in July 1958:

Date Deposited	Amount
July 1, 1958	$420,868.14
July 2, 1958	35,668.59
July 3, 1958	29,609.37
July 7, 1958	73,864.68
Total	$560,010.78

SECURITIES (PAR VALUE) $398,481,722.00

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

SECURITIES CHARGED TO THE TREASURER	Par Value	Controller's Book Value
BONDS:		
Employees' Retirement Fund	$210,148,500.00	$209,342,344.55
Bequest Funds	402,500.00	404,665.01
Trust Funds	15,000.00	15,585.00
Deposits on Leases	109,000.00	109,000.00
Miscellaneous	1,475.00	1,475.00
	$210,676,475.00	$209,873,069.56
MISCELLANEOUS:		
Corporate Stock (Bequest Funds)	$ 247.00	$ 2,094.25
Certified Checks (Deposits)	18,000.00	18,000.00
	$ 18,247.00	$ 20,094.25
SECURITIES NOT CHARGED TO THE TREASURER		Market Value
Collateral Securities	$187,787,000.00	$188,331,346.14
Total, June 30, 1958	$398,481,722.00	$398,224,509.95

BONDS (PAR VALUE) EMPLOYEES' RETIREMENT FUND $210,148,500.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar & Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1957-1958 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance, June 30, 1957	$193,390,500.00
Purchased	19,670,000.00
Total	$213,060,500.00
Sold, called or matured	2,912,000.00
Balance, June 30, 1958	$210,148,500.00

BONDS (PAR VALUE) BEQUEST AND TRUST FUNDS $417,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

BONDS(PAR VALUE) DEPOSIT ON LEASES $109,000.00 (EXHIBIT "A"-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) MISCELLANEOUS $1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safekeeping.

CORPORATE STOCK $247.00 (EXHIBIT "A-2")

Represents par value of stocks belonging to bequest funds.

CERTIFIED CHECKS $18,000.00

Represents three checks deposited with the Treasurer as security for faithful performance of contractual obligations.

COLLATERAL SECURITIES (PAR VALUE BONDS) $187,787,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

> "The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1958 were less than face value of collateral deposited; the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) $95,300,000

Unsold (Unissued) City and County Bonds at June 30, 1958 represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Sold Prior to 1957-1958	Sold During 1957-1958	Unsold June 30, 1958
Authorized Nov. 4, 1947				
1947 Street Improvement	$ 22,850,000	$19,950,000	$ 1,900,000	$ 1,000,000
1947 Off-Street Parking	5,000,000	3,000,000	2,000,000	-0-
Authorized June 1, 1948				
1948 Sewage Treatment	15,000,000	14,550,000	450,000	-0-
Authorized Nov. 4, 1952				
1952 Fire House	4,750,000	4,200,000		550,000
Authorized June 8, 1954				
1954 Sewer	12,645,000	2,500,000	4,500,000	5,645,000
Authorized Nov. 2, 1954				
1954 Laguna Honda Home and Hospital	5,475,000	5,000,000	475,000	-0-
1954 Recreation Center	5,000,000		5,000,000	-0-
1954 S. F. Hospital	5,830,000	1,500,000	1,500,000	2,830,000
Authorized Nov. 8, 1955				
1955 Playground and Recreation Center	7,000,000		3,000,000	4,000,000
1955 Hetch Hetchy Power	54,000,000	10,000,000	17,000,000	27,000,000
Authorized June 5, 1956				
1956 Hall of Justice	19,475,000	1,475,000	1,500,000	16,500,000
Authorized Nov. 6, 1956				
1956 Schools	27,000,000		6,000,000	21,000,000
1956 S. F. International Airport	25,000,000		10,200,000	14,800,000
Authorized June 3, 1958				
1958 Recreation and Park	1,575,000			1,575,000
Total	$210,600,000	$62,175,000	$53,125,000	$95,300,000

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during year ended June 30, 1958, follows:

	Par Value Paid and Cancelled	Compensation Authorized Rate	Compensation Earned 1957-1958
Bonds	$ 8,469,000.00	1/20 of 1%	$ 4,234.50
Coupons (220,053)	3,036,347.50	4¢ each	8,802.12
Total	$11,505,347.50		$13,036.62 (1)

(1) Includes $2,989.86 for last quarter of 1957-1958 which was paid in 1958-1959.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for City and County employees was $732,506.25 as compared with $758,062.50 for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by $1,077,199.69. A comparison with the previous fiscal year follows:

Revenues	1957-1958	1956-1957
Interest earned on inactive bank deposits	$1,165,020.73	$763,679.74
Commissions received on Inheritance Tax Collections	52,219.18	40,000.00
Other Fees	103.50	123.50
Conscience Money	40.00	645.00
Total	$1,217,383.41	$804,448.24
Expenditures and Encumbrances		
Per Controller's records	140,183.72	134,530.71
Net Revenue	$1,077,199.69	$669,917.53

A five year comparative statement of revenues, expenditures and encumbrances is reflected on Exhibit B.

INTEREST ON INACTIVE BANK DEPOSITS $1,165,020.73

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depositary agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1957-1958 Budget Estimate	Interest Earned 1957-1958	1956-1957
General, Special Gas Tax and Special Road Impr. Funds	$720,000.00	$1,018,918.91	$698,011.47
Municipal Railway	25,000.00	24,180.58	27,233.25
Water Operating	18,750.00	55,469.18	23,154.60
Redevelopment Agency		56,506.87	15,277.42
State County Fair Fund		9,945.19	
Total	$763,750.00	$1,165,020.73	$763,679.74

The $24,180.58 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of $1,043,099.49 on the basis of the Treasurer's daily balances in that fund.

The credit to the Water Operating Fund, the Redevelopment Agency Fund, and the State County Fair Fund was earned on inactive bank deposits used exclusively for those funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS $52,219.18

Inheritance Tax Commissions and settlements with the State for the twelve months ending May 31, 1958, are summarized as follows:

Inheritance Tax Collections		$6,281,839.61
Less disbursements:		
Payments to State	$5,977,232.71	
Refunds	237,118.34	
Appraiser's Fees	15,269.38	6,229,620.43
Commissions earned fiscal year 1957-1958		$ 52,219.18

Accounts maintained for Inheritance Tax purposes are recorded on State controlled pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1957, the maximum commissions a Treasurer of a county of the second class may retain is $50,000.00 for a calendar year. The commissions received cover the period September 11, 1957 through May 31, 1958. The commissions of $2,219.18 in excess of the $50,000.00 limitation is due to the change in maximum commissions from $40,000.00 to $50,000.00 effective September 11, 1957.

OTHER FEES $103.50

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing contents of a Safe Deposit Box" is collected in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY $40.00

This represents various remittances received from unidentified sources and classified as "Conscience Money".

EXPENDITURES AND ENCUMBRANCES $140,183.72

Expenditures and encumbrances, compared with budget appropriations for 1957-1958 are as follows:

By Treasurer	Appropriations as Modified	Expenditures and Encumbrances
Permanent Salaries	$123,674.24	$123,546.51
Allowance for overtime	250.00	175.59
Contractual Services	13,650.00	13,612.24
Use of Employees' Cars	385.00	382.59
Materials and Supplies	1,448.00	1,277.95
By Purchaser		
Telephone and Telegrams	200.00	-0-
City Directory	78.00	78.00
Stationery withdrawn from stores	75.00	51.61
Equipment	200.00	176.80
Reproduction Bureau	900.00	882.43
Total	$140,860.24	$140,183.72

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Overage Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds. Ordinance No. 69-58, approved February 14, 1958 appropriated the sum of $500.00 and established the funds in the custody of the Treasurer.

As at June 30, 1958, the Treasurer's records disclosed disbursements totalling $38.00 from the Cash Difference Fund. The balance in the fund - $462.00 - was verified by actual count.

SURETY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for $200,000.00 by St. Paul Fire and Marine Insurance Company's Bond No. 404 CBO 343 in favor of the City and County of San Francisco and/or State of California, for a period of one year commencing January 8, 1958. The bond was recorded December 18, 1957 and is in the custody of the Controller as provided by Charter Section 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, Blanket Bond No. 404 CBO 438 of St. Paul Fire and Marine Insurance Company, expiring April 10, 1959 covers all employees of the City and County of San Francisco, under Section 6 for Fidelity and under Section 7 up to $50,000.00 for any one employee or the sum of $50,000.00 for any one loss. The bond is on file with the Controller.

In addition Section 14.4 of Ordinance No. 8075 specifies that the following employments in the Treasurer's Office be bonded for faithful performance:

2 Cashiers
4 Senior Tellers
3 Tellers
1 Senior Accountant
1 Accountant
1 Head Clerk
3 General Clerks

Positions in the Treasurer's Office not covered under Section 14.4 are:

1 Supervisor-Inheritance Tax Division
1 General Clerk
1 General Clerk Stenographer

It is recommended that the bond be amended to include all employments in the Treasurer's Office under Section 14.4.

FORGERY INSURANCE

Forgery Insurance up to $100,000.00 is provided by Fidelity and Deposit Company of Maryland, Police No. 26 64 241 B for a period of three years commencing May 15, 1957. This policy is on file with the Controller.

OTHER INSURANCE

The Treasurer's Office carries no burglary or robbery insurance either as to inside or outside risks. The banks provide their own messenger service for all transactions in the Treasurer's Office. All checks for deposit are microfilmed for identification before being delivered to the bank messenger.

Ed. Note:

Exhibits A-1 and D reflect detail of transactions presented in summary form in the body of the foregoing report. They have not been reproduced in this publication.

SUMMARY OF CASH AND SECURITIES

CASH AND CASH ITEMS	June 30th 1958	1957
CASH AND CASH ITEMS ON HAND		
Coin and currency	$ 808,571.64	$ 832,302.04
Checks on hand for deposit	1,211,019.23	1,832,696.45
	$ 2,019,590.87	$ 2,664,998.49
CASH IN BANKS		
Active Accounts	$ 62,489,879.84	$ 38,775,150.94
Inactive Accounts	79,575,000.00	59,075,000.00
	$142,064,879.84	$ 97,850,150.94
UNITED STATES BONDS (PAR VALUE)	$ 96,550.00	$ 68,750.00
CASH RECEIVED AFTER JUNE 30, 1958 AND APPLIED TO FISCAL YEAR 1957-1958	$ 560,010.78	$ 630,988.85
Total (Exhibit "C" and "D")	$144,741,031.49	$101,214,888.28
SECURITIES		
BONDS (PAR VALUE)		
Collateral from Banks (Exhibit "A-1")	$187,787,000.00	$134,078,000.00
Employees' Retirement Fund	210,148,500.00	193,390,500.00
Bequest Funds	402,500.00	486,500.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	109,000.00	109,000.00
Miscellaneous Deposits	1,475.00	1,475.00
	$398,463,475.00	$328,080,475.00
OTHER		
Bequest Funds (Corporate Stock)	$ 247.00	$ 247.00
Contract Deposits (Certified Checks)	18,000.00	18,000.00
	$ 18,247.00	$ 18,247.00
Total	$398,481,722.00	$328,098,722.00
Total Cash and Securities	$543,222,753.49	$429,313,610.28

BEQUEST, TRUST FUNDS AND MISCELLANEOUS ASSETS IN JOINT CUSTODY VAULT JUNE 30, 1958

S U M M A R Y

BEQUEST FUNDS	Bonds Par Value	Corporate Stock Face Value	Controller's Book Value
Herzstein	$ 8,000.00		$ 8,379.01
Marx	2,000.00		2,072.96
Olsen	1,000.00		978.75
Robinson	40,000.00		40,237.50
Strybing	200,000.00		201,250.00
Windel	15,000.00		15,009.38
Fuhrman	116,500.00		116,671.88
Sutro	5,000.00		5,000.00
Steinbrunn	10,000.00		10,065.63
McLean	5,000.00		5,000.00
Brunetti		$ 39.00	44.25
Lewis		208.00	2,000.00
Total	$402,500.00	$ 247.00	$406,759.26
TRUST FUNDS			
Panama Pacific Exposition	$ 15,000.00		$ 15,585.00
Total Bequest and Trust Funds	$417,500.00	$ 247.00	$422,344.26
DEPOSITS ON LEASES			
S. F. Holding Company	$100,000.00		$100,000.00
Studinger and Ward	1,000.00		1,000.00
Lurie and Company	2,000.00		2,000.00
Davidson and Silvestri	500.00		500.00
Elias Leider	2,500.00		2,500.00
William H. Segale	500.00		500.00
Jack D. Condini	1,500.00		1,500.00
Arthur R. Viargues	1,000.00		1,000.00
Total	$109,000.00		$109,000.00
MISCELLANEOUS DEPOSITS		Certified Checks	
County Clerk Estate of Henry J. Byrne Missing Person	$ 1,425.00		$ 1,425.00
Recreation and Park Dept. North Beach Playground	25.00		25.00
Public Administrator Mr. Dane Conroy (Absent Heir)	25.00		25.00
Purchasing Dept. Green Goddess Inc.		$ 5,000.00	

BEQUEST, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1958

S U M M A R Y

MISCELLANEOUS DEPOSITS (Continued)	Bonds Par Value	Certified Checks	Controller's Book Value
Recreation and Park Dept. Pacific Catering Co.		$ 1,000.00	$ 1,000.00
Lakeside Village Merchants' Ass'n.		12,000.00	12,000.00
Total	$1,475.00	$18,000.00	$19,475.00

TREASURER

EXHIBIT "B"

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th				
	1958	1957	1956	1955	1954
REVENUES					
Interest earned on deposit of public funds	$1,165,020.73	$763,679.74	$564,287.04	$541,647.38	$615,018.93
Commission on Inheritance Tax Collections	52,219.18	40,000.00	40,000.00	37,709.59	31,211.21
Duplicate "Inheritance Tax Receipt" fees, etc.	103.50	123.50	119.00	99.00	86.00
Conscience money	40.00	645.00	177.00	831.00	130.00
Total	$1,217,383.41	$804,448.24	$604,583.04	$580,286.97	$646,446.14
EXPENDITURES AND ENCUMBRANCES					
Permanent salaries	$ 123,516.51	$116,702.10	$107,043.00	$101,425.90	$ 96,285.00
Allowance for overtime	175.59	165.93	243.01	293.24	467.11
Contractual services	1,840.64	3,141.51	4,517.98	3,616.67	2,219.87
Fiscal Agent - New York	13,036.62	11,631.36	11,070.90	11,616.92	11,750.00
Materials and supplies	1,407.56	1,637.47	1,798.44	1,655.14	1,667.21
Equipment	176.80	1,252.34	-	536.94	-
Total	$ 140,183.72	$134,530.71	$124,673.33	$119,144.81	$112,389.19
Net Revenues	$1,077,199.69	$669,917.53	$479,909.71	$461,142.16	$534,056.95

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

CASH TRANSACTIONS	Fiscal Year Ended June 30th 1958	1957
CASH BALANCE - BEGINNING OF YEAR	$101,214,888.28	$ 88,168,291.43
RECEIPTS		
Receipts	$334,480,622.55	$281,389,779.17
Journal Transfers (Contra)	307,642,603.18	288,465,171.03
Total	$642,123,225.73	$569,854,950.20
Total Balance and Receipts	$743,338,114.01	$658,023,241.63
DISBURSEMENTS		
Cash Disbursements	$290,954,479.34	$268,343,182.32
Journal Transfers (Contra)	307,642,603.18	288,465,171.03
Total	$598,597,082.52	$556,808,353.35
CASH BALANCES - END OF YEAR (EXHIBITS "A" AND "D")	$144,741,031.49	$101,214,888.28

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

CASH TRANSACTIONS	Fiscal Year Ended June 30th 1958	1957
CURRENT FUNDS		
Cash balance - Beginning of year	$ 58,394,658.94	$ 56,762,233.75
Cash receipts	222,861,841.09	207,846,426.25
Journal transfers	255,561,747.77	256,739,642.61
Total Available	$536,818,247.80	$521,348,302.61
Cash disbursements	$204,924,667.67	$190,053,051.67
Journal transfers	271,720,762.51	272,900,592.00
Total Disbursements	$476,645,430.18	$462,953,643.67
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 60,172,817.62	$ 58,394,658.94
CAPITAL FUNDS		
Cash balance - Beginning of year	$ 32,160,471.91	$ 22,892,432.90
Cash receipts	53,743,550.26	24,299,054.57
Journal transfers	29,800,340.24	12,034,267.59
Total Available	$115,704,362.41	$ 59,225,755.06
Cash disbursements	$ 13,903,387.04	$ 13,478,699.89
Journal transfers	33,247,459.88	13,586,583.26
Total Disbursements	$ 47,150,846.92	$ 27,065,283.15
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 68,553,515.49	$ 32,160,471.91
TRUST AND ASSESSMENT FUNDS		
Cash balance - Beginning of year	$ 10,659,757.43	$ 8,513,624.78
Cash receipts	57,875,231.20	49,244,298.35
Journal transfers	22,280,515.17	19,691,260.83
Total Available	$ 90,815,503.80	$ 77,449,183.96
Cash disbursements	$ 72,126,424.63	$ 64,811,430.76
Journal transfers	2,674,380.79	1,977,995.77
Total Disbursements	$ 74,800,805.42	$ 66,789,426.53
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 16,014,698.38	$ 10,659,757.43
TOTAL CASH ON HAND (EXHIBIT "A" AND "D")	$144,741,031.49	$101,214,888.28

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

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REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1958

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 17, 1958

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1958

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Exhibit A - Balance Sheet, June 30, 1958
Exhibit B - Statement of Surplus for the year ended June 30, 1958
Exhibit C - Statement of Income and Expense for the years ended June 30, 1958 and June 30, 1957
Schedule C-1 - Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1958
Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1958 and June 30, 1957

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1958, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

N. B. Cooper

Nathan B. Cooper
Supervisor, Utility Audits

Approved: Harry D. Ross

HARRY D. ROSS
CONTROLLER

EXHIBIT A

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1958

ASSETS

Fixed Capital:			
In service		$50,588,264.41	
Less reserve for depreciation		9,941,909.38	
Net book value		40,646,355.03	
Under construction		1,750,880.50	$42,397,235.53
Cash:			
On deposit with City and County Treasurer		$10,459,222.49	
Revolving Fund		2,500.00	10,461,722.49
Accounts Receivable:			
Federal Grants		$ 212,702.66	
Estimated Federal Grants	$1,007,431.69		
Less: Reserve for estimated Federal Grants	1,007,431.69	-0-	
Revenues accrued and other receivables (Net)		448,972.34	661,675.00
Interfund Accounts:			
Due from other public service enterprises			2,870.43
Deferred Charges:			
Materials and supplies		$ 18,174.49	
Commitments (contra)		2,361,314.74	
Other deferred items		40,215.01	2,419,704.24
Total Assets			$55,943,207.69

LIABILITIES AND SURPLUS

Bonded Debt:		
Maturing within year ending June 30, 1959	$ 1,983,000.00	
Maturing Sept. 1, 1959 through May 1, 1973	15,256,000.00	$17,239,000.00
Bond Interest:		
Matured coupons not presented for payment	$ 1,668.75	
Accrued, not due	72,861.27	74,530.02
Accounts Payable:		
Outstanding warrants	$ 415,681.69	
General creditors	225,746.37	
Commitments (contra)	2,361,314.74	3,002,742.80
Interfund Accounts:		
Due to general city and county	$ 48,208.95	
Due to other public service enterprises	79,137.81	127,346.76
Deferred Credits		279,079.28
Total Liabilities		$20,722,698.86
Surplus - Exhibit B		35,220,508.83
Total Liabilities and Surplus		$55,943,207.69

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1958

Surplus, June 30, 1957, annual report of Controller		$33,803,762.48
Add:		
Contributions:		
State of California, Special Aviation Fund	$ 9,975.10	
Contributions from Federal Agencies:		
CAA Grants #711,812,813 and 814	584,909.14	594,884.24
Net Profit, fiscal year 1957-58 - Exhibit C		821,862.11
Surplus, June 30, 1958		$35,220,508.83

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING REVENUES:	June 30, 1958	June 30, 1957
Air carrier Flight Operations:		
Scheduled	$753,719.57	$537,102.26
Non-scheduled	28,583.02	17,205.07
Total Air carrier Flight Operations	$782,302.59	$554,307.33
Rentals:		
Aircraft outdoor storage	$ 11,853.28	$ 10,159.54
Airport property		
Unimproved and paved	110,686.78	105,273.44
Expansion area	3,945.18	6,907.09
Hangars	35,181.52	35,117.52
Passenger terminal building and airmail and cargo building office space	674,761.09	669,169.24
Other buildings and structures	66,060.26	66,834.38
Total Rentals	$902,488.11	$893,461.21
Bulk Petroleum Deliveries:		
Professional fire service	$ 27,362.11	$ 44,741.14
Rental of tank farm area	10,836.88	10,836.88
Wharfage charges	46,945.60	41,202.77
Pipe line licenses	300.00	300.00
Total Bulk Petroleum Deliveries	$ 85,444.59	$ 97,080.79

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING REVENUES - Cont'd	June 30, 1958	June 30, 1957
Services, Sales, Commissions and Permits:		
Public address system	$ 3,439.24	$ 2,554.45
Restaurant and allied services	357,642.23	323,244.44
Newspaper and tobacco counters	63,107.32	56,688.49
Taxicab and limousine permits	159,840.44	150,807.24
Parking Lot (includes parking meters)	589,781.61	452,432.83
U-Drive	300,828.25	241,907.38
Telephone commissions	19,924.61	17,635.81
Insurance vending machines	4,800.00	4,800.00
Sale of petroleum products	14,314.72	10,937.76
Shoe shine stands	4,246.69	3,889.07
Vending and weighing machines	453.22	565.70
Baggage locker commissions	13,344.68	11,617.60
Rest rooms	17,948.46	16,199.71
Automobile service station	18,602.65	17,702.65
Florist	3,443.70	3,286.94
Gift shop	27,038.87	26,812.83
Advertising displays	30,925.07	26,381.50
Children's "Merry-Go-Rounds"	801.04	771.43
Candy shop	2,522.04	2,173.87
Book shop	5,519.55	4,680.17
Photography	1,549.01	1,720.56
Barber shop	4,018.67	3,263.87
Telescopes	353.04	313.65
Porter service	3,000.00	3,000.00
Telo-Tronics Agency	750.06	834.48
Beauty shop	1,900.00	1,900.00
Total Services, Sales, Commissions and Permits	$1,650,145.18	$1,386,122.43
TOTAL OPERATING REVENUES	$3,420,380.47	$2,930,971.76

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

OPERATING EXPENSES:		June 30, 1958	June 30, 1957
Salaries and Wages:			
General and administrative		$ 53,453.25	$ 50,354.94
Maintenance and operations		827,348.02	769,896.45
Total Salaries and Wages		$880,801.27	$820,251.39
Other Costs of Operation:			
Travel expense (Business trips)		$ 5,201.86	$ 5,506.12
Travel expense and local fares		11.88	287.22
Employee transportation expense		16,687.14	17,872.20
Freight, express and drayage		116.26	240.09
Storage and care of vehicles		296.05	46.65
Maintenance and care of office equipment		486.23	375.89
Maintenance and care of other equipment		904.20	221.48
Heat, Light, Power - Water		76,028.30	89,638.86
Telephone and telegraph	$35,723.84		
Less: Extension service charges to tenants	23,019.48	12,704.36	11,374.53
Postage		748.56	671.49
Printing, advertising, etc.		1,280.42	1,749.79
Newspapers and periodicals		600.47	684.15
Window Washing		4,393.60	4,068.00
Refuse disposal	$ 6,201.00		
Less charged to tenants	3,235.50	2,965.50	-0-
Rentals of office furniture and equipment		85.00	75.00
Professional and special services		46,433.75	48,014.99
Miscellaneous contractual services		890.92	891.61
Operating material and supplies		8,837.39	8,081.56
P.U.C. - general office expense		27,367.73	25,551.55
Fire fighting expense		222,905.23	212,432.33
Purchasing department expense		4,728.05	3,933.10
Towel service		396.89	195.85
Total Other Costs of Operation		$434,069.79	$431,912.46
Other Costs of Maintenance and Repair:			
Runways		$ 22,123.58	$ 35,530.79
Field lighting equipment		323.56	675.11
Radio equipment		2,194.34	1,751.29
Administration building		30,793.79	39,923.14
Other buildings		2,369.74	4,433.66
Automotive equipment		20,999.46	21,845.17
Other equipment facilities		8,779.44	11,655.48
Parking areas, roads, walks, fences, etc.		1,839.72	1,180.77
Power distribution system		8,689.76	11,965.57
Total Other Costs of Maintenance and Repair		$ 98,113.39	$128,960.98

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1958 and JUNE 30, 1957

OPERATING EXPENSES - Cont'd.		June 30, 1958	June 30, 1957
Fixed Charges:			
Accident compensation - employees		$ 4,763.89	$ 4,267.55
Automobile insurance		1,701.36	2,298.74
Other insurance		22,142.60	14,120.66
Pension and retirement allowance		104,535.37	101,613.51
Taxes paid	$ 74,008.34		
Less charged to tenants	8,745.03	65,263.31	63,093.34
Depreciation		1,037,458.19	1,034,550.22
Doubtful accounts		4,800.00	4,800.00
Membership dues		1,050.00	1,035.00
Awards, indemnities, damages and judgments		-0-	3,758.25
Total Fixed Charges		$1,241,714.72	$1,229,537.27
TOTAL OPERATING EXPENSES		$2,654,699.17	$2,610,662.10
OPERATING PROFIT		$ 765,681.30	$ 320,309.66
OTHER INCOME:			
Resale of electric energy	$380,145.12		
Less cost thereof	252,407.88	$ 127,737.24	$ 125,147.36
Resale of water	$ 59,295.64		
Less cost thereof	54,616.83	4,678.81	3,590.24
Sale of steam		5,375.79 (1)	4,756.27 (1)
Sewage disposal		18,264.62 (1)	16,259.09 (1)
Miscellaneous		6,638.20	3,380.26
Total Other Income		$ 162,694.66	$ 153,133.22
Sub-total		$ 928,375.96	$ 473,442.88
OTHER EXPENSE:			
1945 and 1949 Airport Bond Interest Expense		$ 111,466.05	$ 138,540.00
Miscellaneous additions to and deductions from income - net (Schedule C-1)		(4,952.20)	57,896.23
Total Other Expense		$ 106,513.85	$ 196,436.23
NET PROFIT		$ 821,862.11	$ 277,006.65

(1) Cost of these items is incidental to the production for Airport general use. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1958

	Applicable to 1957-58	Applicable to Prior Years	Total
Additions:			
Miscellaneous deductions from expense	$ 55.68	$ 695.83	$ 751.51
Miscellaneous additions to revenue		2,386.43	2,386.43
Additional insurance recovery from fire loss at Hangar No. 1		10,042.98	10,042.98
Total additions	$ 55.68	$13,125.24	$13,180.92
Deductions:			
Provisions for possible uncollectibility of disputed accounts receivable:			
Western Airlines, Inc.	$ 6,802.00		$ 6,802.00
United Airlines, Inc.	400.00		400.00
Pan American Airways	400.00		400.00
Total	$ 7,602.00		$ 7,602.00
Adjustments of Fixed Capital	626.72		626.72
Total deductions	$ 8,228.72		$ 8,228.72
Net addition			$ 4,952.20

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1958 AND JUNE 30, 1957

Comparative report of aircraft movements and traffic, including domestic and international activities as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	June 30, 1958	June 30, 1957	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	127,433	129,178	-1,745	-1.4
Itinerant	36,150	34,479	1,671	4.8
Local	38,281	40,772	-2,491	-6.1
Totals	201,864	204,429	-2,565	-1.3
Number of passengers, as reported by air carriers:				
On and off	3,579,590	3,223,656	355,934	11.0
Through (No stopovers)	466,934	461,174	5,760	1.2
Totals in and out (1)	4,046,524	3,684,830	361,694	9.8
Air mail, express and freight, in pounds on and off, as reported by various air lines: (1)				
Air mail (2)	37,702,803	35,410,289	2,292,514	6.5
Express	8,517,441	9,195,181	- 677,740	-7.4
Freight	79,756,359	80,291,729	- 535,370	-0.7
Totals	125,976,603	124,897,199	1,079,404	0.9

Note:

(1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

(2) June 30, 1958 figure includes 9,907,671 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1958

Note 1. Included in accounts receivable of $448,972.34 are certain disputed sums in the amount of $40,115.03. This amount plus $213,809.31 paid by Western Air Lines, Inc. under protest has been fully reserved under the account deferred credits.

Also included in accounts receivable are charges to Western Air Lines, Inc. covering landing fees for the period from September 1, 1957 to June 30, 1958 in the amount of $87,149.11 for which no reserve has been set up.

Note 2. In addition to the amount stated in Note 1, the San Francisco International Airport was contingently liable at June 30, 1958 for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of $99,060.99. During the fiscal year ended June 30, 1958 there was in force an insurance policy protecting the Airport from personal injury and property damage claims.

City and County of San Francisco
Employees' Retirement System

EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1958

FARQUHAR & HEIMBUCHER
Certified Public Accountants

220 Bush Street
San Francisco 4, California

January 14, 1959

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1958 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1958 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

THIS REPORT IS ISSUED WITH THE UNDERSTANDING THAT, WHILE IT MAY BE REPRODUCED IN ITS ENTIRETY, EXTRACTS FROM IT OR REFERENCES TO IT SHALL FIRST BE SUBMITTED FOR OUR APPROVAL

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1958

Exhibit B Statement of Changes in Reserves for Year ended June 30, 1958

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated February 3, 1958. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought into the System, and the present name and administrative organization were adopted.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Francis McCarty, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Dion Holm, City Attorney; Mr. William J. Murphy; Mr. William T. Reed, and Mr. Martin F. Wormuth, elected by the membership; Mr. Philip S. Dalton of Crocker-Anglo National Bank; and Mr. James Martin Hamill of Equitable Life Assurance Society of the United States. Mr. John L. Mootz is Secretary of the System.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The present active membership is approximately 19,600, and approximately 5,070 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are

contributing under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

Department	Charter Section	Rates
Municipal Railway	165.2	5.800%
Water Department	165.2	11.804
Police Department	168.1	18.112
Fire Department	171.1	25.580
All others	165.2	12.377

The above rates were computed on the basis of an actuarial survey at June 30, 1954 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	$ 7,747,830
Disability retirements	2,172,389
Industrial death allowances	745,114
Death benefits to members' beneficiaries	668,111
Death benefits to beneficiaries of retired employees	213,702
Total	$ 11,547,146

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - $ 6,913,116

Cash on deposit with the Treasurer of the City and County of San Francisco, $ 6,913,116, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to $ 41,640 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - $ 645,441

The above amount represents contributions withheld from employees' salaries for April, May and June 1958 for which cash transfers were made after June 30, 1958. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions and Reimbursements - $ 957,440

A summary of the balances due from the City and County of San Francisco at June 30, 1958 is as follows:

City and County contributions due from public utilities and special funds	$ 924,708
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	29,822
Due from special funds Compensation costs	2,910
Total	$ 957,440

The amount for City and County of San Francisco contributions due from public utilities and special funds represents contributions for May and June 1958 for which cash transfer vouchers were made after June 30, 1958.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - $ 1,715,895

We have satisfied ourselves by an independent calculation that the above amount of $ 1,715,895 represents the bond interest earned but not yet received at June 30, 1958.

Estimated Future City and County of San Francisco Contributions for Compensation Claims Pending - $ 1,575,000

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1958. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - $ 209,342,345

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1958.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1958. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1958, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to $ 1,914,584 at June 30, 1958, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Requirements Payable to City and County of San Francisco - $ 794,305

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1958.

This excess is derived as follows:

Balance June 30, 1957	$ 21,553
Tax appropriation allocated to Retirement System for year	13,173,538
Total	13,195,091
Fixed charges for current and prior service and other costs	12,400,786
Balance June 30, 1958	$ 794,305

The City Attorney's opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature prior to July 1, 1946, $ 257,888, has been retained in the

reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.

Credit to San Francisco Unified School District - $ 464,636

In the election of November 5, 1957 Section 165.4 was added to the charter. This section provides that if a teacher or other employee of the Board of Education resigns and withdraws his accumulated contributions during or after the fiscal year ended June 30, 1957 and within ninety days after such withdrawal retires under the State Teachers' Retirement System of California, the contributions which the San Francisco Unified School District would be required to make to the City and County Employees' Retirement System on account of service rendered by employees of the Unified School District shall be reduced. The amount of the reduction shall be equal to the actuarial equivalent of the current service pension portion of the allowance to which that person would have been entitled from the Retirement System had he retired instead of resigning. The balance to the credit of the School District at June 30, 1958, $ 464,636, has been derived as follows:

Credits at February 4, 1958		$ 2,045,354
Additional credits at May 31, 1958		70,379
Total credits		2,115,733
Deduct Current service charges		
February	329,906	
March	328,920	
April	330,700	
May	329,686	
June	331,885	1,651,097
Credit to San Francisco Unified School District at June 30, 1958		$ 464,636

Compensation Costs Payable - $ 260

This item represents City Attorney fees payable relating to compensation claims.

Accumulated Contributions of Former Members - $ 23,261

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Advances From Private Sources - $ 4,425

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance Claims Pending - $ 1,575,000

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits Already Granted - $ 61,528,415

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law an actuarial valuation of these reserves is made every six years based on current mortality and interest rates.

Such an actuarial survey was made as at June 30, 1954 upon which the above amount was based.

Reserves for Current Service Benefits Not Yet Granted - $ 144,077,421

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to $ 68,086,699. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1958 at the rate of two and three quarters per cent.

Statements of accounts as at June 30, 1958 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, $ 75,990,722; for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1958 interest was credited to this account at the rate of two and three quarters per cent.

Reserves for Death Benefits on Deposit - $ 8,815

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

Other Reserves - $ 12,672,669

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, $ 2,508,547; consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1957			$ 2,330,960
Increases			
Contributions released on withdrawal of active members		50,729	
Contributions released on death of active members		30,796	
Interest credited		130,851	
Amount allocated to the reserve for disability pensions			
Required at June 30, 1957	2,427,197		
Required at June 30, 1958	2,386,659	40,538	252,914
Total			2,583,874
Decreases			
Death benefits paid to beneficiaries of matching plan members		75,307	
Amount transferred on account of redeposit of members' contributions withdrawn		20	75,327
Balance at June 30, 1958			$ 2,508,547

Unallocated earnings from sale of bonds $ 1,914,583 represent the unabsorbed portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds		
Year ended June 30, 1943	$ 400,421	
1944	1,418,102	
1945	3,207,543	
1954	31,051	
1955	57,766	5,114,883
Profit applied for fourteen years ended June 30, 1957		2,949,693
Balance undistributed at June 30, 1957		2,165,190
Profit applied for year ended June 30, 1958		250,607
Balance undistributed at June 30, 1958		$ 1,914,583

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience $ 8,249,539, represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of $ 3,200,300 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1957		$ 7,194,955
Bond interest earned	6,141,591	
Prior years' profit on sale of bonds applied during the year	250,607	
Interest earned on City and County of San Francisco balance	889	
Other income	64,157	6,457,244
Total		13,652,199
Less Interest credited to all accumulated contributions and reserves		5,402,660
Balance at June 30, 1958		$ 8,249,539

EXHIBIT A

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1958

ASSETS

CASH		$ 6,913,116
RECEIVABLES		
Employees' contributions in process of collection	645,441	
City and County of San Francisco contributions and reimbursements	957,440	
Bond interest accrued	1,715,895	
Estimated future City and County of San Francisco contributions for compensation claims pending (contra)	1,575,000	4,893,776
BOND INVESTMENTS AT AMORTIZED VALUE (PAR VALUE $ 210,148,500)		
United States Government	66,408,480	
California municipalities, school districts, and other divisions	17,629,148	
Municipalities other than California	3,443,672	
Railroads	329,047	
Railroad equipment trusts	27,596,318	
Railroad terminals	2,510,591	
Public utilities	21,425,089	209,342,345
		$ 221,149,237

EXHIBIT A

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1958

LIABILITIES

LIABILITIES CURRENTLY PAYABLE		
Tax appropriations in excess of requirements payable to City and County of San Francisco	$ 794,305	
Credit to San Francisco Unified School District	464,636	
Compensation costs payable	260	
Accumulated contributions of former members	23,261	
Advances from private sources	4,425	
Estimated liability for compensation costs (contra)	1,575,000	2,861,887
RESERVES		
For current service benefits already granted		
Service retirements		
Annuities	11,295,035	
Pensions	32,278,531	
Disability retirements		
Annuities	1,150,155	
Pensions	13,678,647	
Industrial death allowances		
Annuities	229,178	
Pensions	2,896,899	61,528,445
For current service benefits not yet granted		
Members' accumulated contributions		
Normal - general	54,836,287	
police	6,855,293	
fire	6,167,345	
Additional	227,774	
	68,086,699	
City and County of San Francisco accumulated contributions	75,990,722	144,077,421
For death benefits on deposit		8,815
Other		
City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded	2,503,547	
Unallocated earnings from sale of bonds	1,914,583	
Contingency reserve against adverse experience	8,249,539	12,672,669
		$ 221,149,237

EXHIBIT B

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1958

MEMBERS' CONTRIBUTIONS			
Normal			
General	$ 6,834,842		
Police	758,042		
Fire	656,262	8,249,146	
Additional		38,169	
Redeposits of withdrawn contributions		16,658	8,303,973
CITY AND COUNTY OF SAN FRANCISCO			
REGULAR CONTRIBUTIONS			
Current service reserves			
General	7,910,893		
Police	1,975,235		
Fire	2,448,931	12,335,059	
Current service benefits			
Police	176,905		
Fire	1,071,014	1,247,919	
Prior service benefits			
General	852,261		
Police	989,691		
Fire	1,552,542	3,394,494	16,977,472
INCOME			
Bond interest earned		6,141,591	
Other		65,045	6,206,636
CITY AND COUNTY OF SAN FRANCISCO			
OTHER CONTRIBUTIONS			
For administrative expenses (contra)		244,405	
For compensation insurance costs incurred (contra)		257,262	501,667
Total reserve additions forward			31,989,748

EXHIBIT B

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1958

Total reserve additions (forward)			$ 31,989,748
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Allowance and benefits paid			
From accumulated contributions			
Members	1,898,328		
City and County of San Francisco	5,006,366		
From City and County of San Francisco current payments	4,642,452	11,547,146	
Monthly death benefits installments		960	
Accumulated contributions withdrawn		1,937,167	13,485,273
ADMINISTRATIVE EXPENSES PAID (CONTRA)			244,405
COMPENSATION COSTS INCURRED (CONTRA)			
Weekly benefits	153,238		
Medical expenses	259,729		
Premiums	3,327		
Administrative expenses	23,475	439,769	
Less Subrogation recoveries and refunds from special funds		182,507	257,262
Total reserve reductions			13,986,940
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS			18,002,808
RESERVES AT JUNE 30, 1957			200,284,542
RESERVES AT JUNE 30, 1957			
For current service benefits already granted		61,528,445	
For current service benefits not yet granted		144,077,421	
For death benefits on deposit		8,815	
Other reserves		12,672,669	
Total			$ 218,287,350

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Annual Report

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Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1959

Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1959

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REPORT ON EXAMINATION
JUNE 30, 1959

By F. W. Lafrentz & Co.

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By John F. Forbes and Company

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JUNE 30, 1959

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

December 15, 1959

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1959 is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by F. W. Lafrentz & Co. by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by John F. Forbes & Co.

Municipal Railway, by Haskins & Sells.

San Francisco School Department, by Harold T. Hoertkorn.

Employees' Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

Harry D. Ross

HARRY D. ROSS
CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Property Taxes and Penalties	$60,699,337	$66,500,390	$70,595,833	$69,852,672	$76,123,581	$84,448,841	$89,361,418	$93,181,568	$ 99,074,852	$103,423,962
Retail Purchase and Use Tax	4,579,668	5,045,495	4,923,011	5,049,201	4,984,922	5,124,681	5,603,569	11,305,306	13,197,860	15,595,609
Other Taxes and Licenses	1,506,803	1,558,434	1,614,163	1,698,453	1,730,380	1,811,030	1,928,163	1,270,812	1,031,980	1,037,266
Court Fines	1,630,166	1,661,179	1,882,284	2,246,475	2,470,813	2,637,894	2,859,703	2,937,851	3,094,354	3,126,196
Departmental Revenues	5,583,159	6,499,076	6,182,217	6,620,108	6,961,796	7,757,720	8,278,907	8,757,344	9,562,237	10,801,621
Interest Earned	418,823	489,584	530,303	526,697	578,940	507,011	518,865	699,822	1,020,829	1,490,724
Rents, S.F. Unified School District	371,262	361,303	358,655	367,265	364,083	356,863	356,767	355,847	355,342	355,183
Housing Authority in Lieu of Taxes	372,387	392,037	326,222	244,435	394,865	190,569	143,779	129,980	166,774	186,603
Miscellaneous	91,940	49,493	87,988	134,104	99,099	158,035	88,143	87,276	185,254	107,586
	75,253,545	82,556,991	86,500,676	86,739,410	93,699,479	102,992,644	109,139,314	118,725,806	127,689,482	136,124,750
Cash Transferred from Capital Funds	537,093	223,845	369,254	358,985	764,616	17,427	608,416	429,641	242,955	1,760
Cash Transferred from Trust Funds	.....	.....	.....	.....	.....	1,274	.....	.....	.....	.....
	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	75,790,638	82,780,836	86,869,930	87,098,395	94,464,095	103,011,345	109,747,730	119,155,447	127,932,437	136,126,510
Revenues Through State of California										
Shared State Taxes:										
Motor Vehicle Fuel Tax:										
Special Gas Tax Street Imp. Fund	2,207,248	2,308,220	2,250,222	2,327,622	2,269,025	2,274,701	2,389,601	2,415,641	2,303,570	2,325,911
Special Road Imp. Fund	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,260	2,143,934	2,218,056	2,231,470	2,296,147
Motor Vehicle Registration Fees	382,973	403,898	402,851	413,464	329,250	413,571	416,204	436,687	439,308	448,973
Motor Vehicle License Fees	4,346,181	4,407,173	6,508,349	5,671,985	6,352,085	6,600,986	7,568,836	7,655,056	7,720,739	7,514,635
Alcoholic Beverage License Subsidy	1,367,041	1,415,966	1,249,603	1,263,643	1,261,919	1,276,236	1,290,311	1,185,907	1,234,572	1,267,536
Miscellaneous	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State and Federal Grants-In-Aid:										
Maintenance of Minors	411,910	569,920	557,906	525,558	517,699	539,697	559,526	542,769	604,193	691,882
Aid to Needy Children	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146	3,248,027	3,453,075	3,737,658	4,474,871	5,537,393
Aid to Needy Blind	191,972	442,090	451,306	467,457	479,407	493,579	526,134	547,634	575,855	592,474
Aid to Needy Aged	4,785,842	11,979,851	11,657,159	11,514,605	11,760,138	11,273,450	11,489,951	11,849,568	12,178,122	12,028,624
Needy Disabled	.....	.....	.....	.....	.....	.....	.....	.....	109,826	506,108
Medical Care Program (Needy Children, Blind & Aged)	.....	.....	.....	.....	.....	.....	.....	.....	479,262	1,235,978
Adoption Program	.....	64,000	93,008	116,139	126,815	86,349	95,656	90,319	107,610	116,338
Homes for Children and Aged	28,772	27,544	24,792	27,768	29,284	34,800	34,195	35,225	49,772	52,764
School Apportionments from State	7,462,264	7,720,320	7,781,132	8,427,501	10,770,345	11,219,877	11,451,505	11,719,609	12,988,205	13,241,705
County School Service Fund	27,059	26,577	29,471	31,550	36,587	38,903	44,435	49,082	229,031	145,121
Child Care Centers	602,300	498,023	482,905	466,147	410,102	444,621	513,856	481,842	553,824	509,274
School Cafeteria	85,602	94,945	111,061	75,635	87,259	116,688	195,129	254,585	261,405	282,039
Teachers' Retirement	335,794	352,874	682,629	737,547	803,158	922,054	993,475	1,018,852	1,041,621	1,001,552
Driver Training Program	.....	.....	.....	.....	.....	.....	26,400	61,680	89,220	87,400
Federal Aid to Schools	496,366	482,511	640,957	823,518	1,055,033	894,401	534,745	1,157,895	1,003,955	1,119,009
Tuberculosis Aid Subsidy	489,684	523,186	513,845	520,617	459,341	533,288	426,784	515,443	529,189	504,674
Crippled Children Program	113,024	159,052	201,612	285,542	398,831	369,987	369,897	231,978	115,445	145,335
Other Public Health Subsidies	248,271	257,903	227,947	237,753	199,159	198,341	245,654	320,438	273,067	197,762
Aid for Log Cabin Ranch	40,569	48,402	46,407	43,250	46,360	52,907	54,930	57,252	65,997	76,670
Fire Boat and Waterfront Expense	202,262	209,849	219,498	229,416	252,808	207,850	221,503	247,701	244,845	257,440
Civilian War Assistance	.....	.....	.....	.....	.....	.....	.....	.....	1,962	15,440
Disaster Control and Civil Defense	.....	.....	.....	.....	65,027	30,552	15,110	34,844	8,962	12,440
Reef Wet Pilotage Projects	103,315	140*	37,750	125,147	.....	.....	.....	.....	.....	.....
Recreation Dept. Subsidy	12,325*	.....	.....	.....	.....	.....	.....	.....	.....	.....
Collection of Motor Vehicle Use Tax	.....	.....	.....	.....	4,878*	.....	.....	.....	.....	.....
Total Revenues	$44,478,151	$ 46,000,000	$ 48,000,000	$ 48,000,000	$ 42,000,000	$ 44,000,000	$ 46,000,000	$ 48,000,000	$ 50,000,000	$ 52,000,000
	$100,350,791	$110,000,000	$125,869,930	$126,098,395	$136,464,095	$147,011,345	$155,747,730	$167,155,447	$177,932,437	$188,126,510

*Denotes Deduction

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

Departmental Expenditures:	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
General Government	$ 7,828,393	$ 7,789,286	$ 8,767,034	$ 8,539,705	$ 9,385,669	$ 9,909,585	$ 10,250,985	$ 10,787,773	$ 12,501,200	$ 12,289,237
Public Safety	15,228,793	15,888,907	17,509,966	18,748,784	20,804,800	22,004,766	22,057,205	24,483,491	25,867,480	26,113,133
Highways	2,046,428	1,963,287	1,950,737	2,722,831	3,028,109	3,287,857	3,450,138	3,569,748	3,770,786	3,783,819
Sanitation and Waste Removal	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,324,461	3,486,355	3,683,729	4,016,225	4,214,077
Conservation of Health	2,088,305	2,123,358	2,390,449	2,502,420	2,753,708	2,806,125	2,918,451	3,208,255	3,343,925	3,530,932
Hospitals	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558	7,738,386	7,858,224	8,139,225	8,608,356	9,185,189
Public Welfare	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819	22,450,499	23,470,816	24,472,876	26,997,651	30,121,833
Correction	1,018,600	1,080,704	1,251,296	1,801,926	1,965,756	2,106,164	2,184,814	2,278,679	2,578,233	2,822,999
Schools	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730	33,965,430	37,832,750	40,743,782	43,469,829
Libraries	802,652	825,926	923,544	935,314	1,045,452	1,105,315	1,168,106	1,303,988	1,396,034	1,513,372
Recreation	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246	5,580,062	5,824,208	6,132,717	6,933,718	7,374,374
Total Departmental Expenditures	76,950,480	88,518,467	95,677,549	101,337,839	108,170,972	112,340,950	116,634,732	125,893,231	136,757,390	144,418,794
Bond Redemptions	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000	6,694,000	6,888,000	7,407,000	8,492,000	10,406,000
Bond Interest	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498	1,669,775	1,835,093	2,297,474	2,914,307
Pensions and Compensation Contributions to Health Service System Insurance	10,516,145	10,918,329	11,880,452	12,541,720	13,527,239	13,761,938	15,325,584	17,142,220	16,167,712	256,342 16,084,201
Judgments and Losses	37,177	79,589	21,749	213,370	125,789	209,633	175,068	190,333	18,779	101,982
Support of Public Service Enterprises:										
Airports	2,966,290	2,996,780	1,712,594	1,604,442	1,465,459	1,890,856	795,774	1,323,029	.....	.....
Municipal Railway	.....	1,062,032	2,384,117	9,000*	.....	2,932,848	3,098,178	3,495,329	3,452,414	5,888,802
Public Utilities Commission: Light, Heat and Power Bureau	28,679	213,740	65,136	1,812	139,379	145,615	210,319	188,436	70	664
Capital Additions From Revenues	5,034,158	7,297,801	3,621,951	3,447,108	5,777,715	5,237,613	5,500,062	5,494,473	5,829,651	8,618,422
Civilian Defense	.....	106,165	303,405	218,896	201,273	186,730	185,934	230,611	176,758	123,500
Assessments, Other Civil Divisions	171,825	190,383	169,133	99,000	99,000	336,113	132,000	132,000	132,000	132,000
Miscellaneous, net	140,910*	274,018	8	761,785	1,049,231*	820,044*	48,261*	952,541*	1,536,731	1,342,988
Total Expenditures	$101,501,574	$118,090,320	$122,586,674	$127,203,977	$135,730,407	$144,510,750	$150,567,165	$162,379,214	$ 174,860,979	$190,288,002

*Denotes Credit

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)	1959 (a)
Water Sales	$10,151,099.50	$10,798,833.90	$11,351,399.94	$11,804,318	$12,133,574	$12,683,906	$13,048,334	$13,262,961	$13,699,044	$14,875,439
Operating Expenses:										
Provision for Depreciation	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805	1,190,549	1,130,856	1,160,692	1,173,932
Other Operating Expenses	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677	8,119,086	8,359,446	8,652,230	9,771,630
	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482	9,309,635	9,490,302	9,812,922	10,945,562
Profit from Operations	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424	3,738,699	3,772,659	3,886,122	3,929,877
Other Income	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909	379,623	408,528	775,729	482,643
	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333	4,118,322	4,181,187	4,661,851	4,412,520
Other Expenses:										
Interest on Bonded Debt	1,052,577.44	984,957.50	928,586.17	986,083	914,115	875,664	838,325	782,031	724,963	665,210
Other	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724	71,003	97,204	110,905	172,687
	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388	909,328	879,235	835,868	837,897
Net Income	$ 1,918,043.36	$ 2,693,837.89	$ 3,209,919.76	$ 3,246,418	$ 3,688,874	$ 3,014,945	$ 3,208,994	$3,301,952	$ 3,825,983	$ 3,574,623

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

STATEMENT OF OPERATIONS
Fiscal Years 1949-50 to 1958-59

	FISCAL YEAR ENDED JUNE 30									
	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)	1956 (a)	1957 (a)	1958 (a)	1959 (a)
Power Sales	$3,322,439.95	$3,439,372.12	$4,009,143.65	$4,617,981	$4,289,746	$4,526,289	$4,517,503	$4,804,325	$4,900,849	$5,379,041
Standby Charge and Sale of Water to the S. F. Water Dept	3,588,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000	4,030,000	4,030,000	4,030,000	4,500,000
	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289	8,547,503	8,834,325	8,930,849	9,879,041
Operating Expenses:										
Provision for Depreciation	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007	1,794,028	1,914,026	1,910,742	1,920,811
Other Operating Expenses	1,386,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122	3,170,478	3,645,177	3,721,576	4,351,980
	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129	4,964,506	5,559,203	5,632,318	6,272,791
Profit from Operations	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160	3,582,997	3,275,122	3,298,531	3,606,250
Other Income	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715	40,255	109,527	100,342	123,598
	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875	3,623,252	3,384,649	3,398,873	3,729,848
Other Expenses:										
Interest on Bonded Debt	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251	1,451,714	1,380,333	1,275,916	1,164,940
Other	.....	.....	2,248.68	2,354	.....	16,490	.....	.....	11,188	.....
	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741	1,451,714	1,380,333	1,287,104	1,164,940
Net Income	$1,618,436.52	$1,559,425.10	$1,553,127.01	$1,828,667	$1,590,020	$1,958,134	$2,171,538	$2,004,316	$2,111,769	$2,564,908

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Revenues	$18,575,307.83	$18,028,977.29	$18,242,353.37	$23,491,980.98	$22,137,625.17	$21,087,543.29	$20,456,021.15	$20,242,262.43	$19,842,117.52	$19,818,276.67
Operating Expenses:										
Depreciation	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04	1,399,251.3	1,041,798.34	1,056,028.47	1,074,052.21
Other Operating Expenses	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91	20,559,117.37	20,931,375.55	21,732,587.20	22,381,559.32
	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95	21,958,368.74	21,973,173.89	22,788,615.67	23,455,611.53
Profit from Operations	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,561.66*	1,502,347.59*	1,730,911.46*	2,946,498.15*	3,637,334.86*
Other Income	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87	92,562.84	95,299.57	172,092.29	78,942.16
	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,043.79*	1,409,784.75*	1,635,611.89*	2,774,405.86*	3,558,392.70*
Other Expenses:										
Interest on Bonded Debt	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47	227,698.57	200,922.05	182,051.07	153,631.45
Other	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,840.93	17,711.64	93,358.55	73,649.11	79,324.38
	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40	245,410.21	294,280.60	255,700.18	232,955.83
Net Income	$ 2,075,012.04*	$ 1,530,409.64*	$ 3,117,327.58*	$ 497,968.93	$ 882,472.90*	$ 1,153,078.19*	$ 1,655,194.96*	$1,929,892.49*	$3,030,106.04*	$ 3,791,348.53*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1949-50 to 1958-59

FISCAL YEAR ENDED JUNE 30

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Revenues:										
Landing Charges	$ 155,233.76	$ 213,317.28	$ 293,517.92	$ 340,008.82	$ 422,577.78	$ 444,124.65	$ 480,489.69	$ 524,316.77	$ 782,302.59	$ 969,365.05
Rentals	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71	657,339.69	853,288.87	909,322.81	902,488.11	945,384.48
Other	246,869.66	298,727.32	380,556.80	469,125.99	528,949.11	1,028,036.66	1,251,440.88	1,497,332.18	1,735,589.77	1,991,388.36
	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00	2,585,219.44	2,930,971.76	3,420,380.47	3,906,137.89
Operating Expenses:										
Depreciation	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20	730,489.68	1,029,908.17	1,034,550.22	1,037,458.19	938,835.86
Other Operating Expenses	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80	1,162,997.86	1,401,178.89	1,576,111.88	1,617,240.98	1,691,756.56
	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54	2,431,087.06	2,610,662.10	2,654,699.17	2,630,592.42
Profit from Operations	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46	154,132.38	320,309.66	765,681.30	1,275,545.47
Other Income	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46	114,560.28	153,133.22	162,694.66	214,606.60
	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92	268,692.66	473,442.88	928,375.96	1,490,152.07
Interest on Bonded Debt	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88	168,796.86	138,540.00	111,466.05	86,476.03
Other Expenses		2,481.22	15,151.13	(20,253.67)	155,139.94	89,037.72	89,173.95	57,896.23	(4,952.20)	471,532.98
	87,584.53	123,381.63	149,242.81	96,288.77	254,248.06	227,624.60	257,970.81	196,436.23	106,513.85	558,009.01
Net Income	$ 761,076.44*	$ 849,145.50*	$ 702,375.10*	$ 522,335.06*	$ 451,785.72*	$ 111,264.32	$ 10,721.85	$ 277,006.65	$ 821,862.11	$ 932,143.06

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
FOR THE 10 YEAR PERIOD, JULY 1, 1949 TO JUNE 30, 1959

	Increase or Decrease *				Balances June 30, 1959			
	Total	Land	Buildings Structures Improvements	Equipment	Total	Land	Buildings Structures Improvements	Equipment
GENERAL GOVERNMENT								
Civic Center, Incl.City Hall	$ 870,323.87	$ 434,432.83*	$ 244,883.71	$ 1,059,872.99	$ 10,278,937.83	$ 1,798,521.80	$ 4,360,387.00	$ 4,120,029.03
PUBLIC SAFETY								
Fire Department	6,851,896.94	393,993.12	5,208,627.87	1,249,275.95	20,341,551.62	996,643.53	14,126,979.98	5,217,928.11
Police Department	4,966,448.12	599,962.96	3,133,669.29	1,232,815.87	8,915,322.23	1,370,743.06	5,099,847.87	2,444,731.30
Department of Electricity	164,279.91		81,492.11	82,787.80	1,058,740.56	44,000.00	805,445.51	209,295.05
HIGHWAYS								
Streets, Tunnels, Bridges, etc.	46,030,586.81	5,730,370.29	39,852,838.24	447,378.28	116,649,015.81	14,912,728.84	101,140,073.82	596,213.15
Asphalt Plant	438,412.60		438,412.60		693,145.17		518,412.60	174,732.57
Off-Street Parking	5,222,664.35	5,165,518.21	57,146.14		5,222,664.35	5,165,518.21	57,146.14	
SANITATION								
Sewers & Sewage Disposal Plants	34,909,178.68	15,430.40	34,602,633.04	291,115.24	64,625,703.65	1,758,235.05	62,343,131.77	524,336.83
Street Cleaning Department	351,835.79			351,835.79	830,617.20			830,617.20
Garbage Incinerator					80,142.60	15,000.00	65,142.60	
HEALTH CONSERVATION								
Hassler Health Home	114,814.26		54,398.08	60,416.18	1,396,883.33	29,442.00	1,179,510.04	187,931.29
Civic Center Health Bldg.	177,283.36		3,770.40	173,512.96	1,459,227.78	158,013.49	911,778.81	389,435.48
Excelsior Health Center	112.50*	112.50*			85,083.54	14,335.00	66,618.18	4,130.36
Other	59,123.40*	134,256.15*	71,579.38	3,553.37	225,362.22	9,483.85	85,548.18	130,330.19
HOSPITALS								
San Francisco Hospital	3,454,527.54	19,630.00*	2,805,740.54	668,417.00	10,031,990.21	674,926.97	7,753,406.47	1,603,656.77
Emergency Hospitals	115,283.72		1,049.67	114,234.05	416,861.24	10,999.70	84,018.82	321,842.72
PUBLIC WELFARE								
Laguna Honda Home	5,906,943.33	100.00*	5,441,683.82	465,359.51	11,046,200.58	25,062.15	9,874,268.33	1,146,870.10
S. F. Welfare Department	194,882.10		64,726.86	130,157.24	526,640.92	137,500.00	227,221.86	161,916.06
CORRECTIONS								
County Jails	31,158.54		27,378.21	3,780.33	895,292.33	38,156.52	827,633.22	29,502.59
Juvenile Detention Home - Old	34,985.22		34,848.50	136.72	368,145.84	10,310.00	245,414.16	112,421.68
Youth Guidance Center	3,686,854.90		3,559,805.58	127,049.32	4,422,285.50	50,400.00	4,244,836.16	127,049.34
Juvenile Log Cabin Ranch	407,917.60		382,842.26	25,075.32	552,495.82	25,110.09	463,038.22	64,347.51
SCHOOLS	62,637,860.84	3,534,682.57	52,729,729.33	6,373,448.94	117,882,175.07	14,565,793.91	91,919,642.72	11,396,538.44
LIBRARIES	1,075,156.81	22,391.44	904,868.42	147,896.95	4,601,371.07	431,023.19	2,209,008.05	1,961,339.83
RECREATION								
Playgrounds	10,909,924.27	214,693.58	10,213,563.24	481,667.45	15,986,227.27	3,601,734.09	11,663,807.35	722,690.73
Museums, Art Galleries, etc.	744,127.96		653,529.22	90,898.74	2,197,239.79		1,808,262.48	388,977.31
War Memorial & Opera House	107,686.07		99,644.84	7,248.23	5,515,221.66	463,187.20	4,688,266.48	362,767.98
Parks & Squares	10,824,561.75	5,381,138.61	4,629,761.51	393,661.63	37,761,161.11	26,286,617.16	10,564,645.05	909,898.90
Auditorium	233,936.11		202,626.09	31,310.02	2,542,330.88	701,437.00	1,730,756.20	110,137.68
Golf Links	1,184,327.20	745,205.48	439,121.72		2,042,436.10	745,205.48	1,297,230.62	
Kezar Stadium	534,603.43	125,822.68	408,980.75		1,345,918.96	222,831.48	1,088,648.50	
Exhibit Hall	267,011.89		254,877.61	12,134.28	267,011.89		254,877.61	12,134.28
OTHER								
Central Warehouse & Corp. Yard	1,168,726.91	320,616.47	848,110.44		1,668,126.04	484,459.04	975,184.75	208,482.25
Retirement System	447.65			447.65	20,824.41	15,305.00	4,966.85	552.56
Miscellaneous	433,760.72	126,211.84	285,431.28	357,937.28	868,716.07	81,737.49	118,731.43	668,247.15
TOTAL	$283,803,077.35	$21,538,279.49	$167,657,577.77	$14,411,220.09	$ [illegible]	$74,194,885.41	$ [illegible]	$ [illegible]

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTY - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1949 TO JUNE 30, 1959

SOURCE OF FUNDS:	Total	Land	Buildings, Structures & Improvements	Equipment
CURRENT FUNDS:				
General Fund	$ 13,724,327.96	$ 306,600.86	$ 6,850,858.68	$ 6,566,868.42
Recreation-Park	3,544,957.16	1,303,597.70	2,017,935.62	223,423.84
Library	482,102.69	23,878.19	397,708.09	60,516.41
War Memorial	83,176.63		79,689.52	3,487.11
California Palace of the Legion of Honor	165,760.57		149,873.28	15,887.29
de Young Memorial Museum	472,312.45		428,430.35	43,882.10
Publicity and Advertising	300.00			300.00
Special Gas Tax Street Improvement	14,679,704.87	4,187,480.68	10,480,139.54	12,084.65
Special Road Improvement	11,109,599.80	1,265,757.75	9,695,945.95	147,896.10
San Francisco Unified School District	10,179,422.93	1,253,536.32	4,795,890.88	4,129,995.73
Special Accumulative Building Fund - Schools	425,002.41	367,818.50	57,183.91	
Child Care Centers	57,796.59			57,796.59
Capital Improvements	625,215.57		625,215.57	
	$ 55,549,579.63	$ 8,708,670.00	$ 35,578,871.39	$ 11,262,138.24
CAPITAL FUNDS:				
Real Property - General City	$ 1,390,297.48*	$ 1,123,942.29*	$ 266,355.19*	
Real Property - S.F.U.S.D.	176,144.17	468,791.29	292,647.12*	
1927 Boulevard Bonds	127,506.00	4,971.40*	132,477.40	
1933 Sewer Bonds	15,808.85		15,808.85	
1942 Fire Protection Bonds	272,131.65			$ 272,131.65
1944 Sewer Bonds	15,724,203.33	87,719.18*	15,811,823.33	99.18
1944-48 Juvenile Home & Court Bonds	3,594,400.13		3,536,450.36	57,949.77
1947 Street Improvement Bonds	17,613,384.66	43,621.36	17,569,713.80	49.50
1947 Recreation Bonds	11,711,946.42	779,373.85	10,663,492.54	269,080.03
1947 Off-Street Parking Bonds	5,183,429.40	5,126,283.26	57,146.14	
1948 Sewage Treatment Bonds	14,454,617.30	76,103.98	14,337,697.48	40,815.84
1948 School Bonds	48,528,611.99	950,603.53	45,499,149.71	2,078,858.75
1952 Firehouse Bonds	4,305,236.78	225,359.38	4,075,819.79	57.61
1954 Laguna Honda Home Bonds	5,133,563.72		4,920,826.58	212,737.14
1954 Sewer Bonds	3,783,105.17	26,577.60	3,756,470.21	57.36
1954 San Francisco Hospital Bonds	1,760,602.63		1,673,272.78	87,329.85
1954 Exhibit Hall Bonds	248,099.94		248,099.94	
1954 Recreation Bonds	6,505,260.11	5,000,000.00	1,505,260.11	
1955 Playgrounds & Recreation Centers Bonds	1,399,495.82	11,403.51	1,364,068.85	24,023.46
1956 Hall of Justice Bonds	3,653,245.85	778,222.96	2,874,376.69	646.20
1956 School Bonds	3,265,361.20	493,932.93	2,670,151.95	101,276.32
1958 Recreation Bonds	3,318.13		3,318.13	
	$146,069,175.77	$ 12,767,640.78	$130,156,422.33	$ 3,145,112.66
TRUST FUNDS:				
State Highway	$ 2,178,252.76	$ 55,968.71	$ 2,122,284.05	
Retirement Symtem	447.65			447.65
Anna Steinberg Bequest - Schools	452.31			452.31
Miranda Lux Foundation Grant - Schools	4,384.62			4,384.62
Fund for the Advancement of Education - Schools	684.61			684.61
	$ 2,184,221.95	$ 55,968.71	$ 2,122,284.05	$ 5,969.19
TOTAL ADDITIONS	$203,803,077.35	$ 21,532,279.49	$167,857,577.77	$ 14,413,220.09

* Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1949-50 to 1959-60

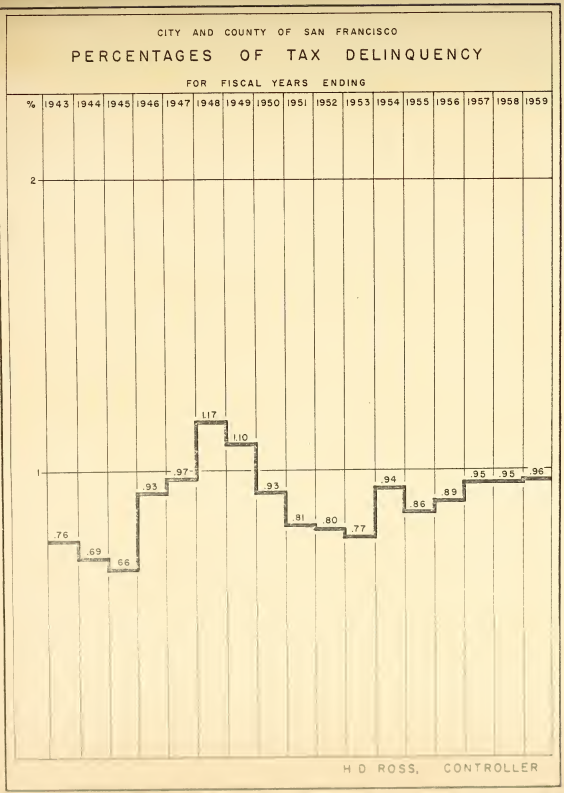
	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject To City & Co. Ad Valorem Rate	Rate	Taxes Levied	Taxes Collected
1949-50 Unsecured - City and County Assessor...	.....	.....	187,081,075	2,368,931	184,712,144	8.00	[illegible]	[illegible]
Secured - City and County Assessor.....	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	8.00	[illegible]	[illegible]
Secured - State Board of Equalization....	11,634,050	60,688,540	40,147,520	.....	112,470,110	8.00	[illegible]	[illegible]
Total.....	$349,961,572	$507,786,005	$235,225,381	$42,142,642	$1,050,830,316		[illegible]	[illegible]
1950-51 Unsecured - City and County Assessor...	.....	.....	174,987,355	2,460,275	172,527,080	8.06	[illegible]	[illegible]
Secured - City and County Assessor.....	338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	8.03	[illegible]	[illegible]
Secured - State Board of Equalization....	11,594,320	64,845,380	38,418,540	.....	114,858,240	8.03	[illegible]	[illegible]
Total.....	$350,080,400	$533,283,270	$223,779,507	$45,448,600	$1,061,694,577		[illegible]	[illegible]
1951-52 Unsecured - City and County Assessor...	.....	.....	199,089,454	2,242,564	196,846,890	8.26	[illegible]	[illegible]
Secured - City and County Assessor.....	340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	8.16	[illegible]	[illegible]
Secured - State Board of Equalization....	15,762,340	66,620,930	41,853,110	.....	124,236,380	8.19	[illegible]	[illegible]
Total.....	$356,201,420	$559,588,370	$254,433,380	$48,746,094	$1,121,477,076		[illegible]	[illegible]
1952-53 Unsecured - City and County Assessor...	.....	.....	220,812,645	2,086,937	218,725,708	8.13	[illegible]	[illegible]
Secured - City and County Assessor.....	348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	8.87	[illegible]	[illegible]
Secured - State Board of Equalization....	16,714,810	67,703,770	44,590,910	.....	129,009,490	8.67	[illegible]	[illegible]
Total.....	$365,375,775	$598,696,005	$278,198,386	$47,068,511	$1,195,201,655		[illegible]	[illegible]
1953-54 Unsecured - City and County Assessor...	.....	.....	232,302,098	2,014,395	230,287,703	8.67	[illegible]	[illegible]
Secured - City and County Assessor.....	350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	8.27	[illegible]	[illegible]
Secured - State Board of Equalization....	16,799,640	68,685,230	47,872,160	.....	133,357,030	8.27	[illegible]	[illegible]
Total.....	$367,620,217	$617,390,288	$288,288,894	$51,925,928	$1,221,373,471		[illegible]	[illegible]
1954-55 Unsecured - City and County Assessor...	.....	.....	233,165,805	2,385,376	230,780,429	8.27	[illegible]	[illegible]
Secured - City and County Assessor.....	351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	8.85	[illegible]	[illegible]
Secured - State Board of Equalization....	16,750,680	72,376,320	49,673,340	.....	138,800,340	8.85	[illegible]	[illegible]
Total.....	$368,547,795	$634,445,990	$291,972,467	$55,985,340	$1,238,980,912		[illegible]	[illegible]
1955-56 Unsecured - City and County Assessor..	.....	.....	235,577,529	2,253,342	233,324,187	8.85	[illegible]	[illegible]
Secured - City and County Assessor.....	353,854,456	582,012,805	9,090,434	54,527,921	890,459,774	9.03	[illegible]	[illegible]
Secured - State Board of Equalization....	16,950,530	74,539,330	48,923,710	.....	140,413,570	9.03	[illegible]	[illegible]
Total.....	$370,834,986	$656,552,135	$293,591,673	$56,781,263	$1,264,197,531		[illegible]	[illegible]
1956-57 Unsecured - City and County Assessor...	.....	.....	251,560,750	2,791,079	248,769,671	9.06	[illegible]	[illegible]
Secured - City and County Assessor.....	353,996,820	605,234,390	8,902,349	57,862,613	911,270,946	9.06	[illegible]	[illegible]
Secured - State Board of Equalization....	18,011,480	77,302,980	50,165,830	.....	145,480,290	9.06	[illegible]	[illegible]
Total.....	$372,008,300	$683,537,360	$310,628,929	$60,653,692	$1,305,520,897		[illegible]	[illegible]
1957-58 Unsecured - City and County Assessor...	.....	.....	263,114,805	3,562,157	259,552,648	7.40	[illegible]	[illegible]
Secured - City and County Assessor.....	356,155,315	622,670,687	10,275,298	59,422,666	929,678,634	7.39	[illegible]	[illegible]
Secured - State Board of Equalization....	19,902,920	79,799,130	50,925,980	.....	150,626,930	7.39	[illegible]	[illegible]
Total.....	$376,058,235	$702,469,817	$324,316,083	$62,984,823	$1,339,859,212		[illegible]	[illegible]
1958-59 Unsecured - City and County Assessor...	.....	.....	267,120,112	4,380,414	262,739,698	7.75	[illegible]	[illegible]
Secured - City and County Assessor.....	355,052,835	638,301,790	8,886,359	60,964,309	941,276,675	7.75	[illegible]	[illegible]
Secured - State Board of Equalization....	19,745,310	89,209,890	51,934,510	.....	160,889,710	7.75	[illegible]	[illegible]
Total.....	$374,798,145	$727,511,680	$327,940,981	$65,344,723	$1,364,906,083		[illegible]	[illegible]
1959-60 Unsecured - City and County Assessor...	.....	.....	268,846,158	4,338,451	264,507,707	7.95	[illegible]	[illegible]
Secured - City and County Assessor.....	356,672,585	671,187,345	9,220,795	78,593,158	958,487,567	8.00	[illegible]	[illegible]
Secured - State Board of Equalization....	17,312,710	96,042,410	55,103,810	.....	168,458,930	8.00	[illegible]	[illegible]
Total.....	$373,985,295	$767,229,755	$333,170,763	$82,931,609	$1,391,454,204		[illegible]	[illegible]

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1950-51 to 1959-60

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
General Fund - Charter Limit $1.65	1.288331	1.181879	1.100226	1.127311	1.026134	.976736	1.118449	1.243634	1.311502	1.342371
General Fund - Other Necessary Expenditures Not Limited	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325	2.197722	2.202347	2.280775	2.508254
Unified School District	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236	1.972106	2.043149	1.825645	2.006816
Recreation	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Park	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Recreation and Park	.333286	.308968	.300406	.333419	.308652	.342745	.386349	.380491	.446001	.440604
Library	.103886	.083429	..084568	.086696	.093976	.103168	.101886	.110176	.113349	.124220
Employees' Retirement	.728602	.768251	.727307	.774782	.868473	.858667	.942984	.993125	.959527	1.042061
Bond Interest and Redemption	.257541	.225908	.166542	.184849	.309244	.287207	.020527	.078257	.059917	.054911
de Young Museum	.041135	.020559	.025020	.035008	.023888	.025787	.031897	.024192	.027594	.035697
California Palace of the Legion of Honor	.015651	.017172	.016888	.018072	.018568	.017771	.018213	.018806	.018640	.021387
War Memorial	.021101	.016755	.017447	.017548	.018690	.018530	.021774	.022137	.022564	.029383
Publicity and Advertising	.026098	.024423	.022763	.022529	.021227	.020999	.020228	.019763	.019423	.021707
Tax Judgments	.....	.....	.....	.....	.....	.002842	.....	.....	.....	.....
Child Care Centers	.....	.008818	.014731	.016049	.008877	.014446	.015999	.019054	.014711	.018300
Special Election Fund	.000100	.....	.000267	.....	.....	.....	.....	.....	.....	.....
Bay Area Air Pollution Control Dist.	.....	.....	.....	.....	.....	.....	.004128	.008536	.009394	.009397
Lighting Public Streets and Buildings	.103213	.096888	.095479	.106698	.103809	.099317	.104257	.079450	.084835	.079969
Airport	.190286	.118155	.137666	.116020	.161256	.040926	.004129	.....	.....	.....
Municipal Railway	.119469	.170008	.....	.....	.206237	.254298	.099352	.126883	.339123	.315923
P.U.C. Purchase of California St. Cable R. R. Co.	.016870	.....	.....	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Butano Forest	.....	.....	.....	.010090	.....	.....	.....	.....	.....	.....
Total	6.29	6.19	5.67	6.27	6.85	7.02	7.06	7.37	7.533	8.051
S. F. Bay Area Rapid Transit District	.....	.....	.....	.....	.....	.....	.....	.....	.017	.039



CITY AND COUNTY OF SAN FRANCISCO
AMOUNTS OF TAX LEVIES AND DELINQUENCIES
Fiscal Years 1931-32 to 1958-59

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	%	Uncollected at June 30, 1959 Amount	%
1931-32	$32,714,463	$ 718,830	2.20	$ 15,781	.05
1932-33	31,752,726	1,706,581	5.37	228,718	.72
1933-34	26,583,270	1,316,809	4.95	159,646	.60
1934-35	28,808,183	958,096	3.33	25,373	.09
1935-36	30,634,662	612,784	2.00	23,349	.08
1936-37	30,986,643	449,704	1.45	19,264	.06
1937-38	31,994,075	483,081	1.50	29,645	.09
1938-39	33,337,812	442,132	1.32	18,116	.05
1939-40	32,575,922	390,407	1.19	27,045	.08
1940-41	35,162,785	367,339	1.04	41,745	.12
1941-42	36,169,225	354,994	.97	66,122	.18
1942-43	37,469,083	288,158	.76	60,424	.16
1943-44	36,797,771	254,508	.69	48,347	.13
1944-45	39,617,406	262,652	.66	32,417	.08
1945-46	41,184,389	380,975	.93	36,742	.09
1946-47	47,374,328	457,779	.97	47,916	.10
1947-48	51,718,354	602,680	1.17	88,889	.17
1948-49	60,779,270	669,631	1.10	99,735	.16
1949-50	60,858,563	567,617	.93	80,224	.13
1950-51	66,522,057	537,393	.81	65,461	.10
1951-52	70,596,215	561,703	.80	95,285	.13
1952-53	69,917,162	539,325	.77	88,045	.13
1953-54	76,082,542	716,632	.94	110,043	.15
1954-55	84,509,028	724,612	.86	137,273	.16
1955-56	89,391,123	799,165	.89	196,042	.22
1956-57	93,230,375	882,671	.95	212,411	.23
1957-58	99,104,664	942,150	.95	362,[illegible]	.37
1958-59	103,591,182	992,948	.96	992,[illegible]	.96

CITY AND COUNTY OF SAN FRANCISCO
TAX YIELD
FISCAL YEAR 1959-60

	VALUATION	TAX YIELD	RATE PER $100
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	1,027,859,930		
Tangible Personal Property	9,220,795		
Less Veterans' and Welfare Exemptions	78,593,158		
	958,487,567	77,541,736.88	8.09
Solvent Credits	3,411,908	3,411.57	.10
Total	961,899,475	77,545,148.45	
Unsecured Personal Property (Collected):			
Tangible Personal Property	124,766,068		
Less Veterans' and Welfare Exemptions	4,025,062		
	120,741,006	9,116,080.36	7.55
Solvent Credits	356,557,204	356,559.75	.10
Total	477,298,210	9,472,640.11	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	144,080,090		
Less Veterans' and Welfare Exemptions	313,389		
	143,766,701	10,854,420.77	7.55
Solvent Credits	228,209,803	228,211.15	.10
Total	371,976,504	11,082,631.92	
Total Assessed by City and County Assessor	1,811,174,189	98,100,420.48	
Taxes on Property Assessed by State Board of Equalization:			
Real Estate and Improvements	113,355,120		
Tangible Personal Property	55,103,810	13,628,327.44	8.09
Solvent Credits	35,101,660	35,101.66	.10
Total Assessed by State Board of Equalization	203,560,590	13,663,429.10	
Total of above Assessments	2,014,734,779		
Total Tax Yield		111,763,849.58	
Reassessments		945.28	7.55
TOTAL TAX YIELD		111,764,794.86	

STATEMENT OF BONDING CAPACITY OF SAN FRANCISCO

AS AT JUNE 30, 1959

(Excluding Bonding Capacity of the S. F. Unified School District) (1)

Maximum Limit:		
12% of the 1959-60 Assessment Roll	($2,014,734,779)	$241,768,173
Bonded Debt Unmatured June 30, 1959:		
Total	$ 231,735,000	
Exempt from 12% Limit (2)	47,654,000	184,081,000
Limit of Future Bond Sales (Subject to 12% Limit)		$ 57,687,173

Unissued (Unsold) Bonds June 30, 1959:

	Subject to 12% Limit	Exempt from 12% Limit	Total
1952 Firehouse	$ 550,000		
1954 Sewers	3,045,000		
1954 San Francisco Hospital	455,000		
1955 Playground & Recreation Centers	3,400,000		
1955 Hetch Hetchy Power	23,000,000		
1956 Hall of Justice	1,075,000		
1956 Airport	14,800,000		
1956 Schools	16,375,000		
1958 Recreation and Park	1,575,000		
	$ 64,275,000	-0-	$ 64,275,000

(1) The City and County of San Francisco is a municipal corporation known by name as San Francisco. It performs all functions of a City and a County.

The San Francisco Unified School District is the only school district in San Francisco, with geographic boundaries coterminous with the boundaries of San Francisco. It performs all the functions of elementary, high school, and junior college school districts.

The Education Code of the State of California, Section 4714, provides that any unified school district maintaining a junior college may issue bonds not to exceed 15 percent of the taxable property of the district as shown by the last equalized assessment roll. To date the School District has not sold any bonds. All items herein designated "School Bonds" are general obligation bonds of the City and County of San Francisco, for school purposes.

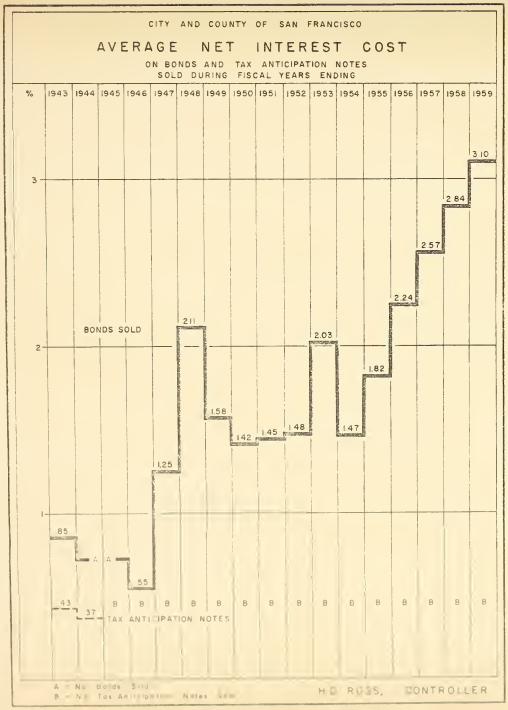
(2) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County, subject to the City and County taxes, exclusive of bonds issued for the following purposes:
(a) For water supply, storage or distribution purposes.
(b) For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (None issued)

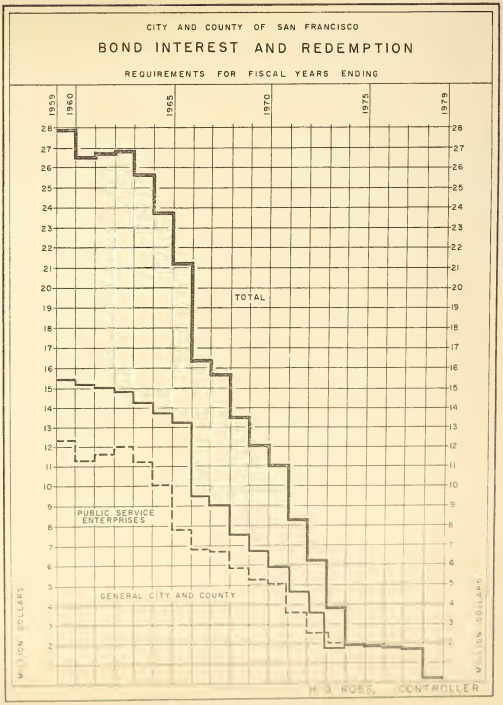
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS

BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1959

Fiscal Year	General Fund, Including S. F. Unified School District				Public Service Enterprises		
	Grand Total	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1959-60	$ 27,847,971.25	$ 15,464,011.25	$ 12,311,000	$ 3,153,011.25	$ 12,383,960.00	$ 9,264,000	$ 3,119,960.00
1960-61	26,519,491.25	15,214,811.25	12,121,000	2,793,811.25	11,304,670.00	8,469,000	2,835,670.00
1961-62	26,739,435.25	15,045,523.75	12,506,000	2,539,523.75	11,693,912.50	9,135,000	2,558,912.50
1962-63	26,078,351.25	14,849,453.75	12,685,000	2,164,453.75	12,002,897.50	9,759,000	2,243,897.50
1963-64	25,669,883.75	14,380,983.00	12,437,000	1,943,983.00	11,279,900.75	9,336,000	1,943,900.75
1964-65	23,775,513.75	13,730,688.25	12,102,000	1,628,688.25	10,044,825.50	8,351,000	1,693,825.50
1965-66	21,232,120.00	13,349,078.75	11,971,000	1,378,078.75	7,883,041.25	6,413,000	1,470,041.25
1966-67	16,380,287.50	9,529,981.25	8,411,000	1,118,981.25	6,850,306.25	5,570,000	1,280,306.25
1967-68	15,608,223.75	9,021,450.00	8,110,000	911,450.00	6,586,773.75	5,570,000	1,016,773.75
1968-69	13,478,285.00	7,583,500.00	6,860,000	723,500.00	5,894,785.00	4,980,000	914,785.00
1969-70	12,076,152.50	6,712,862.50	6,160,000	552,862.50	5,363,290.00	4,620,000	743,290.00
1970-71	11,032,732.50	5,927,062.50	5,535,000	392,062.50	5,105,670.00	4,520,000	585,670.00
1971-72	8,347,820.00	4,662,400.00	4,450,000	212,400.00	3,685,420.00	3,230,000	455,420.00
1972-73	6,214,112.50	3,632,825.00	3,515,000	117,825.00	2,581,287.50	2,255,000	326,287.50
1973-74	3,644,750.00	1,824,900.00	1,795,000	29,900.00	2,019,850.00	1,735,000	284,850.00
1974-75	1,959,212.50				1,959,212.50	1,735,000	224,212.50
1975-76	1,898,575.00				1,898,575.00	1,735,000	163,575.00
1976-77	1,837,937.50				1,837,937.50	1,735,000	102,937.50
1977-78	1,777,300.00				1,777,300.00	1,735,000	42,300.00
1978-79	214,687.50				214,687.50	210,000	4,687.50
	$273,458,188.75	$150,929,451.25	$131,368,000	$19,561,451.25	$122,528,737.50	$100,367,000	$22,161,737.50

Unsold Bonds at June 30, 1959 in the amount of $64,275,000 are not included.


CITY AND COUNTY OF SAN FRANCISCO
AVERAGE NET INTEREST COST
ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING
%
1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954 1955 1956 1957 1958 1959
3
2
1
BONDS SOLD
.85
.55
1.25
2.11
1.58
1.42
1.45
1.48
2.03
1.47
1.82
2.24
2.57
2.84
3.10
.43
.37
TAX ANTICIPATION NOTES
A = No. Bonds Sold
B = No. Tax Anticipation Notes Sold
H.D. ROSS, CONTROLLER


CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
REQUIREMENTS FOR FISCAL YEARS ENDING
1959 1960 1965 1970 1975 1979
28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2
TOTAL
PUBLIC SERVICE ENTERPRISES
GENERAL CITY AND COUNTY
MILLION DOLLARS
H.D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1950-51 to 1959-60

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
General City Issues:										
Taxes	$ 2,690,858	$ 2,595,777	$ 2,120,382	$ 2,215,536	$ 3,544,397	$ 3,682,287	$ 931,400	$ 898,700	$ 866,000	$ 777,300
Capital Improvement Fund	3,996,069	4,591,367	5,017.833	5,052,863	4,912,189	5,056,962	8,396,295	9,633,261	12,703,938	14,839,836
Surplus	.....	.....	.....	.....	.....	.....	.....	.....	.....	296,000
	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249	9,327,695	10,531,961	13,569,938	$15,913,136
Public Service Enterprises:										
Utility Earnings:										
Water Department	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,615	6,743,649	6,683,871	7,094,581	7,034,097
Hetch Hetchy Project	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299	610,130	1,011,915	1,339,249	1,605,948
Municipal Railway	315,722	.....	1,849,107	1,861,459	.....	.....	.....	.....	.....	774,554
Airport	124,584	366,099	437,912	663,500	433,830	1,502,010	1,196,939	1,946,788	2,311,853	2,316,684
Capital Improvement Fund (via Utility)	968,202	620,151	.....	.....	.....	.....	2,992,167	1,826,756	1,932,160	894,204
Taxes (via Utility)	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376	145,442	.....	.....	.....
	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833	11,722,300	11,688,327	11,469,330	12,677,843	12,625,487
Total Budgeted Requirements	$19,082,099	$18,858,697	$18,922,395	$19,063,544	$20,403,419	$20,461,549	$21,016,022	$22,001,291	$26,247,781	$28,538,623

Office of the Controller

REPORT ON EXAMINATION

FOR THE FISCAL YEAR ENDED

JUNE 30, 1959

CABLE AMDIT, NEW YORK

RESIDENT PARTNERS
HAROLD A. KELLOGG, C.P.A.
ROBERT H. PERRY, C.P.A.
LEONARD M. TICE, C.P.A.
ALFRED W. GALLAGHER, C.P.A.

F. W. LAFRENTZ & CO.
CERTIFIED PUBLIC ACCOUNTANTS
525 MARKET STREET · SAN FRANCISCO 5

November 20, 1959

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Gentlemen:

In accordance with your resolution No. 89-59, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1959. The financial statements, attached hereto, are as follows:

Exhibit	
A	Combined proprietary balance sheet, June 30, 1959
B	Proprietary balance sheet, Public Service Enterprises, June 30, 1959
C	Statement of revenues, expenditures and current surplus, General City, June 30, 1959
D	Statement of revenues, expenses and surplus, Public Service Enterprises, June 30, 1959
E	Statement of capital surplus, General City, June 30, 1959
F	Summary of properties, June 30, 1959
G	Statement of bonded indebtedness, June 30, 1959
	Notes to financial statements, June 30, 1959
	Individual fund balance sheets, June 30, 1959:
H	Summary
I	Current funds
J	Capital
K	Retirement and other public trust funds
L	Private trust funds
M	Assessment, redemption and agency funds
N	Public Service Enterprises
O	Reconciliation of proprietary balance sheet with fund balance sheets, June 30, 1959

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller, but are maintained in the offices of the respective enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances. We did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as of June 30, 1959, by other auditors as follows:

By other independent accountants:
San Francisco Unified School District (a separate political entity)

By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

We have also included certain data with respect to the City and County of San Francisco Employees' Retirement System. The accounts of the Employees' Retirement System are being examined by other independent accountants and at the date of this report, their examination had not been completed.

OPINION

In our opinion, based on the scope of examination previously described, the accompanying statements, together with the notes thereto, present fairly the position

at June 30, 1959, and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

F. W. Lafrentz & Co.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1959

ASSETS	Total	Public Service Enterprises	General City and County			
			Total	Current Funds	Capital Funds	Trust and Assessment Funds
Fixed capital:						
Properties - Exhibit F	$ 812,287,083	$359,698,059	$452,589,024		$452,589,024	
Less: Reserve for depreciation	109,743,427	109,743,427				
	$ 702,543,656	$249,954,632	$452,589,024		$452,589,024	
Cash:						
On deposit with Treasurer	$ 137,832,025	$ 34,396,645	$103,435,380	$47,648,394	$ 36,979,159	$ 18,807,827
Cash in transit	2,688,069	37,037	2,631,032			2,631,032
Imprest funds	279,850	227,650	52,200	52,200		
	$ 140,779,944	$ 34,661,332	$106,118,612	$47,700,594	$ 36,979,159	$ 21,438,859
Accounts receivable:						
Taxes receivable, current year	$ 992,948	$	$ 992,948	$ 992,948	$	$
Taxes receivable, prior years	2,466,772		2,466,772	2,466,772		
Penalties, costs and interest	292,500		292,500	292,500		
Franchise taxes	2,813,750		2,813,750	2,813,750		
Federal and state subventions	4,643,282		4,643,282	4,643,282		
Other accounts receivable	15,730,317	4,516,579	11,213,738	6,573,564	2,600,000	2,040,174
	$ 26,939,569	$ 4,516,579	$ 22,422,990	$17,782,816	$ 2,600,000	$ 2,040,174
Less reserves for:						
Unsecured delinquent taxes and penalties	$ 2,533,800	$	$ 2,533,800	$ 2,533,800		
Other accounts receivable	5,279,885	47,369	5,232,516	5,232,516		
	$ 7,813,685	$ 47,369	$ 7,766,316	$ 7,766,316		
	$ 19,125,884	$ 4,469,210	$ 14,656,674	$10,016,500		
Federal aid for public improvements:						
Grants receivable (estimated in part)	$ 1,423,915	$ 1,423,915				
Less: Reserve for grants receivable (estimated)	1,329,706	1,329,706				
	$ 94,209	$ 94,209				
Investments:						
Securities	$ 230,125,277		$230,125,277			$230,125,277
Other	193,435		193,435			193,435
	$ 230,318,712		$230,318,712			$230,318,712
Lease guarantee and other deposits	$ 132,475		$ 132,475			$ 132,475
Interfund accounts (contra)	$ 5,078,783	$ 2,682,399	$ 2,396,384	$ 1,811,146		$ 585,238
Deferred charges:						
Materials and supplies	$ 2,383,995	$ 1,298,046	$ 1,085,949	$ 1,085,949	$	$
Other deferred charges	50,046,929	20,153,083	29,893,846	5,695,537	24,163,309	35,000
	$ 52,430,924	$ 21,451,129	$ 30,979,795	$ 6,781,486	$ 24,163,309	$ 35,000
Total	$1,150,504,587	$313,312,911	$837,191,676	$66,309,726	$516,331,492	$254,550,458

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET, JUNE 30, 1959

LIABILITIES	Total	Public Service Enterprises	General City and County - Total	General City and County - Current Funds	General City and County - Capital Funds	General City and County - Trust and Assessment Funds
Bonded debt:						
Unmatured - Exhibit G	$ 231,735,000	$100,367,000	$131,368,000	$ 200,000	$131,168,000	
Matured and unpaid	31,200	30,200	1,000	1,000		
	$ 231,766,200	$100,397,200	$131,369,000	$ 201,000	$131,168,000	
Bond interest:						
Accrued, not due	$ 1,791,541	$ 1,082,817	$ 708,724	$ 708,724		
Matured and unpaid	79,802	55,940	23,862	23,862		
	$ 1,871,343	$ 1,138,757	$ 732,586	$ 732,586		
Accounts payable:						
Accounts and contracts payable	$ 58,721,452	$ 23,118,443	$ 35,603,009	$13,025,183	$ 21,466,475	$ 1,111,351
Outstanding warrants and payroll deductions	4,207,779	350,707	3,857,072	1,365,837	159,094	2,332,141
Other accruals, deposits and advances	269,333	269,333				
	$ 63,198,564	$ 23,738,483	$ 39,460,081	$14,391,020	$ 21,625,569	$ 3,443,492
Interfund accounts (contra)	$ 5,078,783	$ 1,438,275	$ 3,640,508	$ 2,712,617		$ 927,891
Deferred credits:						
Personal property taxes for year 1959-60	$ 6,014,208	$	$ 6,014,208	$ 6,014,208		$
Other deferred credits	2,932,073	338,737	2,593,336	2,460,548		132,788
	$ 8,946,281	$ 338,737	$ 8,607,544	$ 8,474,756		$ 132,788
Reserves:						
Reserve for accidents	$ 2,557,344	$ 2,557,344	$	$	$	$
Other reserves	1,392,460	934,496	457,964	38,611	154,000	265,353
	$ 3,949,804	$ 3,491,840	$ 457,964	$ 38,611	$ 154,000	$ 265,353
Trust and assessment fund balances	$ 249,780,934		$249,780,934			$249,780,934
Surplus: Exhibit						
Public Service Enterprises D	$ 182,769,619	$182,769,619	$	$	$	
General City - current C	39,759,136		39,759,136	39,759,136		
General City - capital E	363,383,923		363,383,923		363,383,923	
	$ 585,912,678	$182,769,619	$403,143,059	$39,759,136	$363,383,923	
Total	$1,150,504,587	$313,312,911	$837,191,676	$66,309,726	$516,331,480	$254,550,467

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1959

ASSETS	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Fixed capital:						
Properties	$359,698,059	$111,043,639	$35,707,589	$154,018,085	$55,021,388	$3,907,358
Less: Reserve for depreciation	109,743,427	36,596,393	21,669,986	41,215,007	10,262,041	
	$249,954,632	$ 74,447,246	$14,037,603	$112,803,078	$44,759,347	$3,907,358
Cash:						
On deposit with Treasurer	$ 34,396,645	$ 6,566,721	$ 1,802,382	$ 18,238,944	$ 7,191,354	$ 597,244
Cash in transit	37,037	35,605		1,432		
Imprest funds	227,650	30,000	190,000	4,000	2,500	1,150
	$ 34,661,332	$ 6,632,326	$ 1,992,382	$ 18,244,376	$ 7,193,854	$ 598,394
Accounts receivable:						
Revenue accrued and other receivables	$ 4,516,579	$ 1,283,663	$ 83,633	$ 2,287,054	$ 849,348	$ 12,881
Less: Reserve for other receivables	47,369	34,488				12,881
	$ 4,469,210	$ 1,249,175	$ 83,633	$ 2,287,054	$ 849,348	$ -0-
Federal aid for public improvement:						
Grants receivable	$ 1,423,915				$ 1,423,915	
Less: Reserve for grants receivable	1,329,706				1,329,706	
	$ 94,209				$ 94,209	
Interfund accounts:						
Due from General City	$ 2,219,407	$	$ 1,853,101	$ 2,703	$	$ 363,603
Due from Public Service Enterprises (contra)	462,992	4,428	1,801	341,984	1,151	113,628
	$ 2,682,399	$ 4,428	$ 1,854,902	$ 344,687	$ 1,151	$ 477,231
Deferred charges:						
Materials and supplies	$ 1,298,046	$ 565,782	$ 655,442	$ 47,527	$ 20,629	$ 8,666
Other deferred charges	20,153,083	1,018,869	3,280,969	12,892,465	2,931,812	28,968
	$ 21,451,129	$ 1,584,651	$ 3,936,411	$ 12,939,992	$ 2,952,441	$ 37,634
Total	$313,312,911	$ 83,917,826	$21,904,931	$146,619,187	$55,850,350	$5,020,617

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

PROPRIETARY BALANCE SHEET, JUNE 30, 1959

LIABILITIES	Total	Warrants Issued After June 30, 1959	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Bonded debt:							
Unmatured	$100,367,000		$18,125,427	$ 7,382,000	$ 59,603,573	$15,256,000	
Matured and unpaid	30,200		14,000	200	16,000		
	$100,397,200		$18,139,427	$ 7,382,200	$ 59,619,573	$15,256,000	
Bond interest:							
Accrued, not due	$ 1,082,817		$ 270,000	$ 55,564	$ 692,548	$ 64,705	
Matured and unpaid	55,940		6,637	1,802	44,193	3,308	
	$ 1,138,757		$ 276,637	$ 57,366	$ 736,741	$ 68,013	
Accounts payable:							
Accounts and contracts payable	$ 23,118,443	$2,878,563	$ 1,114,135	$ 994,411	$ 15,036,094	$ 3,071,198	$ 24,042
Outstanding warrants and payroll deductions	350,707	(3,027,501)	416,710	1,094,315	1,319,307	279,947	267,929
Consumers' deposits and construction advances	265,724		258,909		6,815		
Accrued salaries and wages	3,609			3,609			
	$ 23,738,483	(148,938)	$ 1,789,754	$ 2,092,335	$ 16,362,216	$ 3,351,145	$ 291,971
Interfund accounts:							
Due to General City	$ 975,283	$	$ 75,142	$ 100,808	$ 44,735	$ 32,320	$ 722,278
Due to Public Service Enterprises (contra)	462,992	148,938	67,570	57,212	2,143	114,348	72,781
	$ 1,438,275	$ 148,938	$ 142,712	$ 158,020	$ 46,878	$ 146,668	$ 795,059
Deferred credits	$ 338,737			$ 40,227		$ 282,760	$ 15,750
Reserves:							
Reserve for accidents	$ 2,557,344		$	$ 2,557,344	$		
Other reserves	934,496		632,700	286,488	15,313		
	$ 3,491,840		$ 632,700	$ 2,843,832	$ 15,313		
Surplus - Exhibit D	$182,769,619		$62,936,596	$ 8,330,956	$ 60,078,266	$36,735,756	$14,687,997
Total	$313,318,911	-0-	$83,917,824	$21,464,971	$136,843,187	$55,980,342	$15,770,817

The accompanying notes to financial statements are an integral part thereof.

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	Year Ended June 30, 1959	Year Ended June 30, 1958
REVENUES:		
Property taxes, penalties, interest and costs	$103,423,962	$ 99,074,852
State and federal subventions	53,611,660	50,802,288
Departmental service charges, etc.	10,801,621	9,562,237
Retail purchase and use tax	15,595,609	13,197,860
Fines, forfeitures, and penalties other than from property taxes	3,126,196	3,094,354
Franchise taxes	384,064	371,404
Licenses	653,202	660,576
Bank interest	1,490,724	1,020,829
Rentals from non-operating school property	355,183	355,342
Housing authority in lieu of taxes	186,603	166,774
Other	101,836	140,254
Transfer from capital accounts	1,760	242,955
Contribution for cobalt unit, cancer patients, San Francisco Hospital		45,000
Contribution for survey - Aid to Needy Children	5,750	
Total revenues	$189,738,170	$178,734,725
EXPENDITURES:		
Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	$ 12,289,237	$ 12,501,200
Public safety	26,113,133	25,867,480
Highways	3,783,819	3,770,786
Sanitation	4,214,077	4,016,225
Health conservation	3,530,932	3,343,925
Hospitals	9,185,189	8,608,356
Public welfare	30,121,833	26,997,651
Corrections	2,822,999	2,578,233
Schools	43,469,829	40,743,782
Libraries	1,513,372	1,396,034
Recreation	7,374,374	6,933,718
Civil defense	123,500	176,758
Bond interest	2,914,307	2,297,474
Miscellaneous	101,982	18,779
Total departmental operating expenses, forward	$147,558,583	$139,250,401

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	.....Year Ended.....	
	June 30, 1959	June 30, 1958
EXPENDITURES (Continued):		
Total departmental operating expenses, forwarded	$147,558,583	$139,250,401
Other expenditures:		
Transfers to capital accounts:		
Capital additions from revenues	8,618,422	5,823,651
Bond redemptions	10,406,000	8,492,000
Others	211,785	28,809
Transfers to trust accounts	34,600	4,515
Assessments, Joint Highway District, No. 9	132,000	132,000
Pension costs, Employees Retirement System	16,084,201	16,167,712
Contributions to Health Service System	256,342	
Contributions to Public Service Enterprises:		
Municipal Railway	5,888,802	3,452,414
Public Utilities Commission - heat, light and power bureau	664	70
Miscellaneous	1,096,603	1,503,347
Total expenditures	$180,288,002	$174,860,979
Net increase (decrease) in current surplus	$ (549,832)	$ 3,873,746
CURRENT SURPLUS:		
Current surplus as shown at beginning of year, per Controller's report	$ 39,343,309	$ 36,317,628
Add auditor's adjustments, preceding year	965,659	117,594
Current surplus at beginning of fiscal year after auditor's adjustments	$ 40,308,968	$ 36,435,222
Net increase (decrease) in current surplus as shown above	(549,832)	3,873,746
Current surplus, end of fiscal year	$ 39,759,136	$ 40,308,968

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

JUNE 30, 1959

REVENUES AND EXPENSES	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
Operating revenues	$ 49,966,522	$14,875,439	$19,818,277	$ 9,879,042	$ 3,906,138	$1,487,626
Operating expenses	44,792,184	10,945,562	23,455,612	6,272,792	2,630,592	1,487,626
Operating income or (loss)	$ 5,174,338	$ 3,929,877	$(3,637,335)	$ 3,606,250	$ 1,275,546	-0-
Other revenues:						
Interest earned	$ 98,524	$ 79,592	$ 18,932	$	$	
Rentals	428,526	375,234		53,592		
Other	404,595	27,817	92,165	70,006	214,607	
	$ 931,945	$ 482,643	$ 111,097	$ 123,598	$ 214,607	
Other expenses:						
Bond interest	$ 2,070,257	$ 665,210	$ 153,631	$ 1,164,940	$ 86,476	
Other	755,700	172,687	111,480		471,533	
	$ 2,825,957	$ 837,897	$ 265,111	$ 1,164,940	$ 558,009	
Net income or (loss)	$ 3,280,326	$ 3,574,623	$(3,791,349)	$ 2,564,908	$ 932,144	-0-
SURPLUS						
Balance, July 1, 1958	$173,002,816	$59,361,973	$ 7,233,503	$67,273,558	$35,220,509	$3,913,273
Adjustments, 1957-58	(70)					(70)
	$173,002,746	$59,361,973	$ 7,233,503	$67,273,558	$35,220,509	$3,913,203
Net income or (loss) as above	3,280,326	3,574,623	(3,791,349)	2,564,908	932,144	
Contributions from General City	5,889,466		5,888,802			664
Contributions from other sources	593,111				593,111	
Other additions	7,417					7,417
	$182,773,066	$62,936,596	$ 9,330,956	$69,838,466	$36,745,764	$3,921,284
Deduct:						
Other deductions	$ 3,447					3,447
Balance, June 30, 1959	$182,769,619	$62,936,596	$ 9,330,956	$69,838,466	$36,745,765	$3,917,837

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CAPITAL SURPLUS

YEAR ENDED JUNE 30, 1959

Balance, July 1, 1958		$343,983,043
Add:		
Transfer from current accounts:		
Bond redemptions	$10,406,000	
Capital additions from revenues	8,618,422	
Other	211,785	19,236,207
Transfer from trust accounts:		
Capital additions - State Highway Trust		15,999
Profit on sale of capital assets:		
General City Departments		31,553
Parking lot rentals:		
1947 off-street parking bonds		18,641
Sale of air rights over St. Mary's Square Garage property		99,890
Miscellaneous credits		350
		$363,385,683
Deduct:		
Capital funds transferred to current accounts		1,760
Balance, June 30, 1959		$363,383,923

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES

JUNE 30, 1959

	Total	Land	Structures and Improvements	Equipment
GENERAL CITY AND COUNTY OF SAN FRANCISCO, SAN FRANCISCO UNIFIED SCHOOL DISTRICT:				
Current year additions, net:				
General Government:				
Civic Center, including City Hall	$ 110,089	$	$ 7,592	$ 102,497
Public Safety:				
Fire Department	431,476	(6,010)	230,327	207,159
Police Department	2,616,500	(8,436)	2,484,933	140,003
Department of Electricity	15,527		10,363	5,164
Highways:				
Streets, tunnels, bridges, etc.	7,657,073	1,123,503	6,420,093	113,477
Asphalt plant	19,178		19,178	
Off-street parking	2,580,682	2,582,439	(1,757)	
Sanitation:				
Sewers and sewage disposal plants	931,758	(259)	910,979	21,038
Street Cleaning Department	39,034			39,034
Health Conservation:				
Hassler Health Home	7,033			7,033
Civic Center Health Building	25,362		3,035	22,327
Hospitals:				
San Francisco Hospital	579,399		500,252	79,147
Emergency hospitals	72,794		660	72,134
Public Welfare:				
Laguna Honda Home	1,245,317		1,060,655	184,662
San Francisco Welfare Department	10,889		2,814	8,075
Corrections:				
County jails	1,347		1,347	
Youth Guidance Center	28,661		10,355	18,306
Juvenile Log Cabin Ranch	138,961		138,961	
Schools	3,932,731	341,661	3,036,414	554,656
Libraries	139,534		109,585	29,949
Recreation:				
Playgrounds	633,161	22,118	557,100	53,943
Museums, art galleries, etc.	15,640		8,232	7,408
War Memorial and Opera House	57,515		56,882	633
Parks and squares	6,703,689	5,281,065	1,350,929	71,695
Auditorium	20,213		17,661	2,552
Golf links	71,212		71,212	
Kezar Stadium	37,585		37,585	
Exhibit Hall	33,441		33,441	
Other:				
Central Warehouse and Corporation Yard	130,362		130,362	
Miscellaneous	50,494		20,301	30,193
	$ 28,336,657	$ 9,336,081	$ 17,229,491	$ 1,771,085
Prior years' additions	424,252,367	65,518,803	325,991,528	32,742,036
Total General City, forward	$452,589,024	$74,854,884	$343,221,019	$34,513,121

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF PROPERTIES

JUNE 30, 1959

	Total
Total General City, Forwarded	$452,589,024
PUBLIC SERVICE ENTERPRISES:	
Current year additions, net:	
Water Department	$ 3,300,504
Municipal Railway	(1,030,216)
Hetch Hetchy Project	14,581,935
San Francisco Airport	2,682,243
Public Utilities Commission	2,126
	$ 19,536,592
Prior years' additions	340,161,467
Total Public Service Enterprises	$359,698,059
Total properties, City and County of San Francisco	$812,287,083

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1959

GENERAL CITY:	Date of Issue	Interest Rate Percent		
Schools:				
1923 School	March 1, 1923	5	$ 2,400,000	
1948 School:				
Series A	March 1, 1949	1-1/2	2,000,000	
Series B	April 1, 1951	1-3/4	5,390,000	
Series C	March 1, 1952	1-1/2	7,120,000	
Series D	December 1, 1952	1-3/4	8,320,000	
Series E	August 1, 1953	2-1/2	3,200,000	
Series F	March 1, 1954	1-1/4 to 1-3/4	2,000,000	
Series G	April 1, 1955	1-3/4	3,500,000	
Series H	April 1, 1957	2-1/4 and 2-1/2	860,000	
1956 School:				
Series A	November 1, 1957	3 to 6	5,600,000	
Series B	December 1, 1958	2-1/2 to 6	3,725,000	
Series C	June 1, 1959	3 and 3-1/4	900,000	$ 45,015,000
Juvenile Court:				
1948 Juvenile Court and Detention Home:				
Series B	November 1, 1949	1-1/4 and 1-1/2		384,000
Boulevards and Roads:				
1931 Boulevards and Roads	February 1, 1931	4-1/2	$ 36,000	
1947 Street Improvement:				
Series B	August 1, 1949	1-1/4 and 1-1/2	834,000	
Series C	November 1, 1949	1-1/4 and 1-1/2	2,340,000	
Series D	September 1, 1950	1-1/4	406,000	
Series E	March 1, 1952	1-1/2	1,600,000	
Series F	December 1, 1952	1-3/4	850,000	
Series G	March 1, 1954	1-1/4	500,000	
Series H	January 1, 1956	2 to 3-3/4	1,145,000	
Series I	April 1, 1957	2-1/4 and 2-1/2	2,420,000	
Series J	May 1, 1958	2-1/4 and 2-1/2	1,400,000	
Series K	December 1, 1958	2-1/2 to 6	1,400,000	12,931,000

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1959

	Date of Issue	Interest Rate Percent		
Sewers				
1933 Sewer:				
Series A	December 1, 1933	4	$ 385,000	
1944 Sewer:				
Series B	February 1, 1948	2-1/2	2,132,000	
1948 Sewage Treatment:				
Series A	August 1, 1949	1-1/4 and 1-1/2	3,153,000	
Series B	November 1, 1949	1-1/4 and 1-1/2	1,254,000	
Series C	March 1, 1952	1-1/2	1,280,000	
Series D	March 1, 1954	1-1/4	500,000	
Series E	January 1, 1956	2 to 6	925,000	
Series F	May 1, 1958	2-1/4 and 2-1/2	420,000	
1954 Sewer:				
Series A	January 1, 1956	2 to 6	2,305,000	
Series B	November 1, 1957	3 to 6	4,200,000	
Series C	December 1, 1958	2-1/2 to 6	2,600,000	$ 19,154,000
Parks and Playgrounds:				
1931 Public Parks and Squares	February 1, 1931	4-1/2	$ 56,000	
1931 Playgrounds	February 1, 1931	4-1/2	8,000	
1947 Recreation:				
Series B	November 1, 1949	1-1/4 and 1-1/2	534,000	
Series C	September 1, 1950	1-1/4 and 1-1/2	1,071,000	
Series D	August 1, 1953	2-1/2	1,650,000	
Series E	April 1, 1955	1-3/4	950,000	
Series F	January 1, 1956	2 to 6	1,380,000	
Series G	April 1, 1957	2-1/4 and 2-1/2	1,020,000	
1954 Recreation Center:				
Series A	May 1, 1958	2-1/4 and 2-1/2	4,665,000	
1955 Playground and Recreation Centers:				
Series A	November 1, 1957	3 to 6	1,870,000	
Series B	May 1, 1958	2-1/4 and 2-1/2	930,000	
Series C	December 1, 1958	2-1/2 to 6	600,000	14,734,000
Off-Street Parking:				
1947 Off-Street Parking:				
Series A	March 1, 1952	1-1/2	$ 320,000	
Series B	January 1, 1956	2 to 6	1,850,000	
Series C	May 1, 1958	2-1/4 and 2-1/2	1,865,000	4,035,000

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS

JUNE 30, 1959

	Date of Issue	Interest Rate Percent		
Hospitals:				
1954 San Francisco Hospital:				
Series A	January 1, 1956	2 to 6	$ 1,380,000	
Series B	November 1, 1957	3 to 6	1,400,000	
Series C	December 1, 1958	2-1/2 to 6	675,000	
Series D	June 1, 1959	3 and 3-1/4	1,700,000	
1954 Laguna Honda Home and Hospital:				
Series A	January 1, 1956	2 to 6	2,305,000	
Series B	April 1, 1957	2-1/4 and 2-1/2	2,170,000	
Series C	May 1, 1958	2-1/4 and 2-1/2	440,000	$ 10,070,000
Fire Protection:				
1952 Firehouse:				
Series A	April 1, 1955	1-3/4	$ 1,575,000	
Series B	January 1, 1956	2 to 6	925,000	
Series C	April 1, 1957	2-1/4 and 2-1/2	1,210,000	3,710,000
1954 Exhibit Hall				
Series A	April 1, 1957	2-1/4 and 2-1/2		2,835,000
Hall of Justice:				
1956 Hall of Justice:				
Series A	April 1, 1957	2-1/4 and 2-1/2	$ 1,275,000	
Series B	May 1, 1958	2-1/4 and 2-1/2	1,400,000	
Series C	December 1, 1958	2-1/2 to 6	15,425,000	18,100,000
City Hall and Civic Center	July 1, 1912	5		400,000
Total General City				$131,368,000
PUBLIC SERVICE ENTERPRISES:				
Hetch Hetchy Water Supply and Power Project			$59,603,573	
San Francisco Water Department			18,125,427	
Municipal Railway of San Francisco			7,382,000	
San Francisco International Airport			15,256,000	
Total Public Service Enterprises				100,367,000
Total Bonded Indebtedness				$231,735,000

The accompanying notes to financial statements are an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF THE CONTROLLER

JUNE 30, 1959

1. Authorized but unissued bonds:

The following is a summary of unissued bonds at June 30, 1959:

1952 Fire House	$ 550,000
1954 Sewer	3,045,000
1954 San Francisco Hospital	455,000
1955 Playground and Recreation Center	3,400,000
1955 Hetch Hetchy Power	23,000,000
1956 Hall of Justice	1,075,000
1956 School Bonds	16,375,000
1956 San Francisco International Airport	14,800,000
1958 Recreation and Park (Steinhart Aquarium)	1,575,000
Total	$64,275,000

2. Excess appropriations, Employees' Retirement Fund, etc.:

It has been estimated by the Retirement System for the year ended June 30, 1959, that amounts appropriated for pensions and other costs have exceeded actual expenses by $455,375. Provisions of Section 80 of the Charter, provide that any excess shall be transferred back to the General Fund.

Accrued interest receivable and amortization of security values reflected in these statements have been estimated by the Retirement System.

3. Fixed capital properties:

The amount of $702,543,656 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

A. A substantial but undetermined portion of expenditures on interdepartmental work orders in progress at the end of the fiscal year ($10,108,349 at June 30, 1959, and $9,554,758 at June 30, 1958) is applicable to land, structures or equipment, but such portion is not charged to fixed assets until each of the several jobs is completed.

B. An equity of approximately $708,400 has been acquired in parking meters (including $3,800 during the year under review) which together with the balance of $56,100 owing at June 30, 1959, on meters installed to that date, has not been reflected in the records.

Board of Supervisors Resolution No. 996-58 increased rates on parking meters and as a consequence, existing parking meter mechanisms had to be adjusted or replaced to accommodate the increased parking meter rates. Costs in connection with replacement of the meter mechanisms are to be paid from coins deposited in the meters at the rate of $1.00 per month for each replacement mechanism. Amounts in excess of this requirement are to be credited to revenues to a total of $938,000 in each fiscal year. Amounts in excess of $938,000 are to be transferred to an "Off-Street Parking Fund."

C. Construction contracts in progress, amounting to $21,095,519 at June 30, 1959, are included under the deferred charge caption on the foregoing balance sheet.

D. Certain of the properties are recorded at appraised values.

E. Equipment disposals, other than those by the San Francisco Unified School District, are not recorded in the accounts.

4. Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County of San Francisco and the School District as at June 30, 1959, aggregating approximately $30,876,000 and $100,000, respectively; also, there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of $30,876,000 against the City and County, were claims of $20,119,140 against the Municipal Railway for which the Railway has provided a reserve of $2,557,344. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for the Water Department and Hetch Hetchy Project refers to contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount.

The Retirement System has estimated the reserve requirements at June 30, 1959, for compensation claims pending under the workmen's compensation laws of the State of California to be $1,210,000. The statements of the Water Department, Hetch Hetchy Project and the Municipal Railway indicate amounts that have been reserved for compensation claims. No provision has been made by any other department of the municipality. It is the practice of the City and County of San Francisco to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the Retirement System to have an actuarial estimate made from time to time of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately $40,500,000 at June 30, 1951, the date of the most recent estimate.

CITY AND COUNTY OF SAN FRANCISCO
AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, etc. (Continued)

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1959, indicate:

A. Net income of $1,927,630 after provision for bond interest of $1,108,925, and a charge of $51,789 for equipment and betterments.

B. Bonds outstanding at June 30, 1959, amounted to $25,590,000. These mature as follows:

Year	Amount
1959	$ 1,200,000
1960-1961	2,400,000
1962-1966	8,000,000
1967-1971	13,990,000
Total	$25,590,000

C. A sinking fund for retirement of bonded debt amounting to $8,902,486 at June 30, 1959.

D. That the District will be liable in the sum of $5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

EXHIBIT H

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERETO

JUNE 30, 1959

Cash	Receivables	Other Resources	Investments	Interfund Accounts	Total	
$ 41,389,022	$17,536,017	$	$	$22,275,024	$ 81,200,063	General City and County Funds: Current
36,449,109	2,600,000	26,475,000		4,897,994	70,422,103	Capital
9,562,440	2,023,646		230,318,712	737,803	242,642,601	Public Trusts
3,965,030	341			22	3,965,393	Private Trusts
12,343					12,343	Assessment and redemption
4,590,194	51,187			1,589	4,642,970	Agency
$ 95,968,138	$22,211,191	$26,475,000	$230,318,712	$27,912,432	$402,885,473	
52,200					52,200	To record: Revolving funds
	246,562				246,562	School department tuition
		132,475			132,475	Additional liabilities
				5,660	5,660	Lease deposits
				455,375	455,375	Excess retirement contribution - net
6,216,338					6,216,338	Unused tax apportionment - retirement
						To reclassify:
						Warrants recorded in June, issued in July
						Encumbrances for work orders to interfund accounts payable
$102,236,676	$22,457,753	$26,607,475	$230,318,712	$28,373,467	$409,994,083	
$ 16,860,877	$ 2,505,431	$23,005,500		$ 808,231	$ 43,180,039	Public Service Enterprise Funds: Hetch Hetchy
6,164,979	1,281,413			18,824	7,465,216	Water Department
706,064	50,788			1,960,507	2,717,359	Municipal Railway
6,908,098	902,281	16,225,415		1,442,399	25,478,193	Airport
329,316	12,831			514,607	856,804	Public Utilities Commission
$ 30,969,334	$ 4,752,794	$39,230,915		$ 4,744,568	$ 79,697,611	
227,650					227,650	To record: Revolving funds
	(4,425)				(4,425)	Write-off of Airport disputed receivables
	(14,943)			(3)	(14,946)	Audit adjustments
						To classify:
						Cash in transit
						Hetch Hetchy receivable from Public Utilities Commission
	(216,610)			216,610		Warrants recorded in June, issued in July
3,027,501					3,027,501	Encumbrances for work orders to interfund accounts payable
						For statement purposes - reserve - Airport (receivables in litigation)
						Advance rental and other miscellaneous receipts, unamortized bond premium, deposits, etc.
$ 34,224,485	$ 4,516,816	$39,230,915		$ 4,961,175	$ 82,933,391	
$136,461,161	$26,974,569	$65,838,390	$230,318,712	$33,334,642	$492,927,474	

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Trust and Assessment	Unencumbered Appropriations	Unappropriated
$ 81,200,063	$14,571,496	$13,695,532	$7,923,224	$9,887,131	$ 7,766,337	$	$17,716,304	$ 9,619,039
70,422,103	21,095,519	8,608,029					38,255,167	2,463,388
242,642,601	95,137	454,027	128,673		125,492	241,839,272		
3,965,393	543					3,964,850		
12,343						12,343		
4,642,920	75,017	37,526	1,589		7,386	4,521,452		
$402,885,473	$35,837,712	$22,795,114	$8,053,486	$9,887,131	$ 7,899,215	$250,337,917	$55,971,975	$12,082,427
52,200								52,200
246,562								246,562
	37,006						(37,006)	
132,475					132,475			
5,660		5,660				(5,660)	5,660	
455,375		455,375				(455,375)		
6,216,338	6,216,338							
	(6,488,049)	6,488,049						
$409,994,083	$35,603,007	$29,744,198	$8,053,486	$9,887,131	$ 8,031,690	$249,876,882	$55,940,629	$12,381,189
$ 43,180,039	$14,417,532	$ 580,517	$ 1,432		$ 1,203,000		$11,849,963	$15,127,595
7,465,216	1,114,134	120,686	35,605		1,781,374		3,113,412	1,300,605
2,717,359	958,941	151,950					809,642	796,826
25,478,193	3,073,209	1,685,965			555,028		13,146,655	6,917,336
856,804	92,914	721,662			12,881		12,405	16,942
$ 79,697,611	$19,656,730	$ 3,260,780	$ 37,037		$ 3,552,283		$28,943,077	$24,747,704
227,650								227,650
(4,425)					(4,425)			
(14,946)	719,784	(1)	505,171		(179,845)		(1,040,055)	
			(37,037)					37,037
	(67,672)	67,672						
3,027,501	2,878,563	148,938						
	(113,055)	113,055						
			253,923		(253,923)			
			57,784					(57,784)
$ 82,933,391	$23,074,350	$ 3,590,444	$ 816,878		$ 3,114,090		$27,583,022	$24,954,107
$492,927,474	$58,677,357	$33,334,642	$8,870,364	$9,887,131	$11,145,780	$249,876,882	$83,823,651	$37,335,296

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30, 1959

Cash	Receivables	Interfund Accounts	Total	
$	$	$ 1,671,910	$ 1,671,910	General Fund, 1959-60
1,851,420	4,619,017	12,717,365	19,187,802	General Fund, 1958-59
42,679	911,542	1,661,362	2,615,583	General Fund, 1957-58
7,037	733,892	764,876	1,505,805	General Fund, Prior Years
1,315,737	2,326	70,197	1,388,260	Recreation and Park
162,358	8,792	2,997	174,147	Library
140,683	520	592	141,795	War Memorial
69,319		503	69,822	California Palace of the Legion of Honor
99,719		647	100,366	de Young Museum
76,901		3,029	79,930	Publicity and Advertising
57,629			57,629	Special Election
5,078,723	232,978	321,892	5,633,593	Special Road Improvement
4,855,096	1,064,753	1,574	5,921,423	San Francisco Unified School District
235,927	46,881	6,969	289,777	School Cafeteria
5,468			5,468	County School Service
118,143	6,766	6,488	131,397	Child Care Centers
9,787,387	2,746,557	134,034	12,667,978	Special Gas Tax Street Improvement
	360,713		360,713	Employees' Retirement - Current
61,417	232,351	1,103,938	1,397,706	Bond Interest and Redemption
1,317,339		365,463	1,682,802	Welfare Assistance and Administration
	1,589		1,589	Bay Area Rapid Transit
7,807,741	2,302,326	3,046,883	13,156,950	Cash Reserve
1,274,741		222,908	1,497,649	Emergency Reserve
27,794			27,794	Embarcadero Widening
1,284,825	3,998,584		5,283,409	Capital Improvement
	266,667		266,667	Alcoholic Beverage License Subsidy
(167,930)			(167,930)	Auditorium
(171,332)			(171,332)	Firemen's Relief and Pension
(103,236)			(103,236)	Police Relief and Pension
57,045			57,045	Medical Care Trust
		171,397	171,397	Off Street Parking
				Unapportioned Funds:
1,473			1,473	Tax Collector's Taxes
80,473			80,473	Delinquent Tax Installments
6,014,209			6,014,209	Assessor's Personal Property Taxes
237	(237)			Redemption of Property
$41,389,022	$17,536,017	$22,275,024	$81,200,063	

EXHIBIT 1

Total	Encumbrances	Interfund Accounts	Deferred Credits	Cash Reserves	Reserves	Unencumbered Appropriations	Unappropriated
$ 1,671,910	$	$	$	$	$	$	$1,671,910
19,187,802	7,544,829	4,734,685	13,300		3,214,454	3,630,534	
2,615,583	753,729	847,249	58,406		911,505	44,694	
1,505,805	702,933	44,799	2,000		733,109	22,874	
1,388,260	269,671	425,009	56,769		2,326	634,485	
174,147	94,028	69,850			8,800	1,469	
141,795	37,873	47,587			520	55,815	
69,822	3,288	66,534					
100,366	42,972	21,544				35,850	
79,930	30,643	48,795				492	
57,629						50,000	7,629
5,633,593	1,652,155	151,705			9,150	2,308,384	1,512,277
5,921,423	1,343,714	352,111			549,315	422,222	3,254,061
289,777		7,059				5,013	277,705
5,488						1,008	4,480
131,397	39,251	8,109			2,182	5,014	76,841
12,667,978	1,172,634				42,000	8,867,961	2,585,383
360,713		147,308			213,405		
1,397,706		900,000			201,338		296,368
1,882,802			1,882,802				
1,589		1,589					
13,156,950		1,702,260		9,887,131	1,567,559		
1,497,649						1,497,649	
27,794						27,794	
5,283,409	883,776	3,809,419			310,584	55,628	224,002
266,667		266,667					
(147,930)							(147,930)
(171,332)							(171,332)
(103,236)							(103,236)
57,045		43,253	13,792				
171,397							171,397
1,473			1,473				
80,473			80,473				
6,014,209			6,014,209				
$81,200,063	$14,571,496	$13,605,532	$7,923,224	$9,887,131	$7,766,337	$17,716,868	$9,629,525

EXHIBIT J

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30, 1959

Cash	Receivables	Unsold Bonds	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Unencumbered Appropriations	Unappropriated
					Bond Funds:					
$ 6,594	$	$	$	$ 6,594	1933 Sewer	$ 6,594	$	$	$ 4,839	$ 1,755
1,139,797				1,139,797	1944 Sewer	1,139,797		374,268	744,134	21,395
					1944 Juvenile Home and Court and 1948 Juvenile Court and					
28,319				28,319	Detention Home	28,319			25,507	2,812
2,716,327				2,716,327	1947 Street Improvement	2,716,327	541,127	585,628	1,519,578	69,994
288,041			25,000	313,041	1947 Recreation	313,041	37,135	6,500	269,406	
16,062				16,062	1947 Off-Street Parking	16,062	1,625	5,065	198	9,174
368,943				368,943	1948 School	368,943	23,840	99,675	200,518	44,910
531,483				531,483	1948 Sewage Treatment	531,483	1,285	255,000	275,198	
451,719		550,000		1,001,719	1952 Firehouse	1,001,719	335,903	115,743	539,972	10,101
4,512,033		3,045,000	1,200,000	8,757,033	1954 Sewer	8,757,033	634,831	813,460	7,302,742	6,000
3,037,290	1,700,000	455,000	322,000	5,514,290	1954 San Francisco Hospital	5,514,290	701,649	2,832,389	1,979,870	382
540,149			20,000	560,149	1954 Laguna Honda Home and Hospital	560,149	248,144	145,821	166,184	
284,168			3,210,994	3,495,162	1954 Exhibit Hall	3,495,162	22,250	3,060,475	412,437	
					1955 Playgrounds and Recreation					
587,744		3,400,000	120,000	4,107,744	Centers	4,107,744	397,786	18,382	3,498,333	193,243
14,746,754		1,075,000		15,821,754	1956 Hall of Justice	15,821,754	12,923,980	33,300	2,259,493	604,981
6,459,639	900,000	16,375,000		23,734,639	1956 School	23,734,639	5,136,714	105,138	17,764,005	728,782
					1958 Recreation and Park					
141,682		1,575,000		1,716,682	(Steinhart Aquarium)	1,716,682	89,250	156,185	1,105,547	365,700
					Real Property Funds:					
424,261				424,261	General City	424,261		1,000	164,478	258,783
168,104				168,104	San Francisco Unified School District	168,104			22,728	145,376
$36,449,109	$2,600,000	$26,475,000	$4,897,994	$70,422,103		$70,422,103	$21,095,519	$8,608,029	$38,255,167	$2,463,388

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT K

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1959

Cash	Receivables	Investments	Interfund Accounts	Total		Total	Encum-brances	Interfund Accounts	Deferred Credits	Reserves	Fund Balances
$8,365,745	$1,938,000	$228,175,526	$455,807	$239,135,078	Employees' Retirement System	$239,135,078	$ 4,387	$411,115	$	$	$238,719,576
					Bequests:						
334		94		428	Brunetti	428					428
383				383	Fallon	383					383
7,727		49,340		57,067	Fuhrman Bequest - Joint	57,067		194			56,873
3,939	978	116,750	195	121,862	Fuhrman Bequest - Library	121,862	304				121,558
89,115				89,115	Fuhrman Bequest - Park	89,115					89,115
4,523	116	8,379		13,018	Herzstein	13,018					13,018
1,234		2,000		3,234	Lewis	3,234					3,234
8,250	45	2,073		10,368	Marx	10,368					10,368
3,286	5	5,000		8,291	McLean	8,291					8,291
1,402				1,402	Nelson	1,402	1,402				
908	22	979		1,909	Olsen	1,909					1,909
4,889	667	40,237		45,793	Robinson	45,793					45,793
1,418				1,418	Sneide	1,418					1,418
876				876	Steinberg	876					876
1,378	97	23,026		24,501	Steinbrunn	24,501					24,501
2,152				2,152	Stoy	2,152					2,152
26,100	1,366	201,250		228,716	Strybing	228,716	17,854	17,000			193,862
5,126				5,126	Sutro	5,126					5,126
342				342	Wilbert	342					342
2,135	204	15,009		17,348	Windel	17,348					17,348
125				125	Arabic Book Fund	125					125
9,441				9,441	Board of Trustees - Legion of Honor	9,441					9,441
2,294				2,294	de Young Museum Art Trust	2,294					2,294
9,311				9,311	de Young Museum Gift Acquisition	9,311					9,311
17,244				17,244	Fund for the Advancement of Education	17,244	2,051	660			14,533
687,262			81,801	769,063	Health Service	769,063	10,194	13,858	128,673		616,338
35				35	Infantile Paralysis	35					35
202,176		1,597,972		1,800,148	Walter S. Johnson Gift Fund	1,800,148					1,800,148
1,641				1,641	Laguna Honda Home - Gift Fund	1,641					1,641
4,198				4,198	Laguna Honda Workshop	4,198					4,198
10				10	Library Gift Fund	10					10
31,863	60,000			91,863	Miranda Lux Foundation	91,863	1,150	200		60,000	30,513
57				57	Musicians Club	57					57
2,179		65,492		67,671	Nell V. O'Connell Fund	67,671				65,492	2,179
		15,585		15,585	P.P.I.E. Trust	15,585					15,585
1,241	110			1,351	P.P.I.E. Scholarship Interest	1,351					1,351
247				247	Police Range	247					247
25				25	Recreation and Park Gift Fund	25					25
1,195				1,195	San Francisco Hospital - Children's Ward	1,195					1,195
110				110	Social Service	110					110
165				165	Special Anecdotal Book Fund	165					165
13,863	32,034			35,897	State Highway	35,897	12,480	11,000			12,417
65,496				65,496	Steryland Fund	65,496	46,315				19,181
854				854	Lewis Strauss Foundation	854					854
114				114	Tuberculosis Trust	114					114
30				30	Veterans' Employee - Select	30					30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1959

Cash	Receivables	Interfund Accounts	Total		Total	Encumbrances	Fund Balances
$ 644	$	$	$ 644	Absent Creditors	$ 644	$	$ 644
16,953			16,953	Absent Heirs	16,953		16,953
53,156			53,156	Adult Probation Officers' Deposit	53,156		53,156
282			282	Adult Probation Officers' Clearing Account	282		282
14,673			14,673	Coroner's Unclaimed Money	14,673		14,673
3,900			3,900	County Clerk Bail	3,900		3,900
514,359			514,359	County Clerk Special	514,359		514,359
2,187			2,187	de Young Museum	2,187		2,187
26,733			26,733	Duplicate Taxes	26,733		26,733
1,523			1,523	Electrical Deposits	1,523		1,523
16,254			16,254	Jail Stores Deposits	16,254	12	16,242
18,793		22	18,815	Juvenile Count Deposits	18,815		18,815
591			591	California Palace of the Legion of Honor	591		591
390			390	Library Card Deposits	390		390
63,600			63,600	Municipal Court Bail	63,600		63,600
174,039			174,039	Municipal Court Special	174,039		174,039
823			823	Police Department Deposits	823		823
114,400			114,400	Realty Deposits	114,400		114,400
156,137			156,137	Refundable Deposits, Department of Public Works	156,137		156,137
112,979			112,979	Sheriff's Trust	112,979		112,979
16,235			16,235	Sheriff's Inmate Welfare Fund	16,235	531	15,704
135			135	Special Badge	135		135
465			465	Street Improvement	465		465
529			529	Street Improvement - Ordinance 1934	529		529
10,148	332		10,480	Sunset Tunnel Assessment Refund	10,480		10,480
18,779	9		18,788	Twin Peaks Tunnel Refund	18,788		18,788
356,486			356,486	Voluntary Payroll Deductions	356,486		356,486
74,390			74,390	War Bonds	74,390		74,390
1,074,786			1,074,786	Withholding Tax - General	1,074,786		1,074,786
220,588			220,588	Withholding Tax - Municipal Railway	220,588		220,588
854,097			854,097	Withholding Tax - San Francisco Unified School District	854,097		854,097
44,229			44,229	F.I.C.A. Taxes - Municipal Railway	44,229		44,229
1,100			1,100	F.I.C.A. Taxes - Redevelopment Agency	1,100		1,100
31			31	F.I.C.A. Taxes - Parking Authority	31		31
228			228	F.I.C.A. Taxes - Air Pollution Control	228		228
388			388	California Unemployment Taxes - Redevelopment Agency	388		388
$3,965,030	$341	$22	$3,965,393		$3,965,393	$543	$3,964,850

EXHIBIT M

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1959

Cash	Receivables	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Deferred Credits	Reserves	Fund Balances
				Assessment and Redemption Funds:						
$ 1,302			$ 1,302	Circular Avenue Assessment	$ 1,302					$ 1,302
4,233			4,233	Circular Avenue Redemptions	4,233					4,233
938			938	City Lands Assessment	938					938
3,623			3,623	City Lands Redemption	3,623					3,623
142			142	Oakwood Street Assessments	142					142
64			64	Saturn Street Redemptions	64					64
461			461	Virginia Avenue Assessments	461					461
1,580			1,580	Virginia Avenue Redemptions	1,580					1,580
$ 12,343			$ 12,343		$ 12,343					$ 12,343
				Agency Funds:						
$ 97,630	$ 2,159	$	$ 99,789	Bay Area Air Pollution Control District	$ 99,789	$23,047	$ 2,526	$	$	$ 74,216
319,293	14,028	1,589	334,910	Bay Area Rapid Transit	334,910			1,589	7,386	325,935
20,121	35,000		55,121	Hunters Point Reclamation District	55,121		35,000			20,121
2			2	Law Library	2					2
10,224			10,224	Redevelopment Agency - Survey and Planning	10,224	200				10,024
2,962,845			2,962,845	Redevelopment Agency - Project Expenditures	2,962,845	30,386				2,932,459
129			129	State Consumers' Use Tax	129					129
643,714			643,714	State County Fair	643,714	21,384				622,330
495,864			495,864	State Inheritance Taxes	495,864					495,864
2,311			2,311	State Sales Tax	2,311					2,311
18,899			18,899	State Teachers' Annuity Deposits	18,899					18,899
19,162			19,162	State Teachers' Retirement Plan	19,162					19,162
$4,590,194	$51,187	$1,589	$4,642,970		$4,642,970	$75,017	$37,526	$1,589	$7,386	$4,521,452

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC SERVICE ENTERPRISES

INDIVIDUAL FUND BALANCE SHEETS, JUNE 30, 1959

	Cash	Receivables	Other Resources	Interfund Accounts	Total		Total	Encumbrances	Interfund Accounts	Deferred Credits	Reserves	Unencumbered Appropriations	Unappropriated
						Hetch Hetchy:							
	$ 1,413,489	$ 505,431	$	$ 808,231	$ 2,727,144	Operating	$ 2,727,144	$ 514,846	$ 140,388	$ 1,432	$	$ 326,976	$ 1,743,502
	1,197,500				1,197,500	Bond Interest and Redemption	1,197,500				1,197,500		
	46,428				46,428	1947 Water Bonds	46,428	726				45,702	
	100,288				100,288	1949 Cherry Valley Dam Bonds	100,288		6,333			93,955	
	14,103,179	2,000,000	23,005,500		39,108,679	1955 Hetch Hetchy Power	39,108,679	13,901,960	433,796		5,500	11,383,330	13,384,093
	$16,860,877	$2,505,431	$23,005,500	$ 808,231	$43,180,039		$43,180,039	$14,417,532	$ 580,517	$ 1,432	$1,203,000	$11,849,963	$15,127,595
						Water Department:							
	$ 4,890,036	$1,281,413		$ 18,824	$ 6,190,273	Operating	$ 6,190,273	$ 1,114,134	$ 120,686	$35,605	$ 511,374	$ 3,108,469	$ 1,300,005
	1,270,000				1,270,000	Bond Interest and Redemption	1,270,000				1,270,000		
	4,943				4,943	Real property	4,943					4,943	
	$ 6,164,979	$1,281,413		$ 18,824	$ 7,465,216		$ 7,465,216	$ 1,114,134	$ 120,686	$35,605	$1,781,374	$ 3,113,412	$ 1,300,005
						Municipal Railway:							
	$ 683,986	$ 50,788		$1,960,121	$ 2,694,895	Operating	$ 2,694,895	$ 946,289	$ 151,950			$ 810,830	$ 785,826
	22,078			386	22,464	1947 Municipal Railway Rehabilitation	22,464	12,652				9,812	
	$ 706,064	$ 50,788		$1,960,507	$ 2,717,359		$ 2,717,359	$ 958,941	$ 151,950			$ 820,642	$ 785,826
						Airport:							
	$ 278,108	$ 902,281	$	$ 18,484	$ 1,198,873	Operating	$ 1,198,873	$ 116,155	$ 79,877		$ 553,528	$ 38,318	$ 410,995
	23,687				23,687	Special Aviation	23,687	16,113				1,474	6,100
	84,841				84,841	1945 Airport Bonds	84,841					84,841	
	162,002				162,002	1949 Airport Bonds	162,002					162,002	
	4,235,231		14,801,500	1,423,915	20,460,646	1956 Airport Bonds	20,460,646	1,019,593	144,816		1,500	12,694,496	6,600,241
	2,124,229		1,423,915		3,548,144	Federal Airport Project	3,548,144	1,921,348	1,461,272			165,524	
	$ 6,908,098	$ 902,281	$16,225,415	$1,442,399	$25,478,193		$25,478,193	$ 3,073,209	$1,685,965		$ 555,028	$13,146,655	$ 7,017,336
						Public Utilities Commission:							
	$ 329,316	$ 12,881		$ 514,607	$ 856,804	Operating	$ 856,804	$ 92,914	$ 721,662		$ 12,881	$ 12,405	$ 16,942
	$30,969,334	$4,752,794	$39,230,915	$4,744,568	$79,697,611		$79,697,611	$19,656,730	$3,260,780	$37,037	$3,552,283	$28,943,077	$24,247,704

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEETS, JUNE 30, 1959

A S S E T S	Total	Fixed Capital Assets	Cash	Accounts Receivables	Federal Aid for Public Improvements	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges
Proprietary balance sheet - Exhibit A	$1,150,504,587	$703,543,656	$140,779,944	$19,125,884	$94,209		$230,318,712	$132,475	$ 5,078,783	$52,430,924
Deduct:										
Fixed capital assets, net	$ 702,543,656	$702,543,656	$	$	$					$
Warrants and pryroll deductions outstanding	4,207,781		4,207,781							
Bond interest matured and unpaid	79,802		79,802							
Bonds matured and unpaid	31,200		31,200							
Inventories and deferred charges	52,395,924			(35,000)						52,430,924
Federal aid for public improvements	94,209				94,209					
	$ 759,352,572	$703,543,656	$ 4,318,783	$ (35,000)	$ 94,209					$52,430,924
Add:										
Accounts receivable reserves	$ 3,244,000			$ 7,813,685		$ 1,430,915		$	$	
Bonds unsold (Note 1)	64,275,000					64,275,000				
Lease deposits						132,475		(132,475)		
Interfund accounts	28,255,859								28,255,859	
	$ 101,775,459			$ 7,813,685		$65,338,390		$(132,475)	$28,255,859	
Fund balance sheets - Exhibit H	$ 492,927,474	-0-	$136,461,161	$26,974,569	-0-	$65,338,390	$230,318,712	-0-	$33,334,642	-0-

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUND BALANCE SHEETS, JUNE 30, 1959

LIABILITIES	Total	Bonded Debt	Bond Interest	Accounts Payable and Encumbrances	Interfund Accounts	Deferred Credits	Reserves	Trust and Assessment Fund Balances	Surplus
Proprietary balance sheet - Exhibit A	$1,150,504,587	$231,766,200	$1,871,343	$63,198,564	$ 5,078,783	$8,946,281	$ 3,949,804	$249,780,934	$ 585,912,678
Deduct:									
Bonded debt	$ 31,200	$231,766,200	$	$		$	$(2,000,000)		$(229,735,000)
Bond interest	79,802		1,871,343				(467,500)		(1,324,041)
Outstanding warrants and payroll deductions	4,207,779			4,207,779					
Accrued social security taxes - Municipal Railway				44,095					(44,095)
Accrued salaries and wages - Municipal Railway				3,609					(3,609)
Deposits and construction advances - Water Department				258,909					(258,909)
Deposits and construction advances - Hetch Hetchy Project				6,815					(6,815)
Airport improvements amortized						11,184			(11,184)
Airport unclaimed checks						96			(96)
Inventories and deferred charges	52,423,924					48,650	(7,000)		52,382,274
Current year's advances and prior year's receipts not encumbered - Public Utilities Commission						15,750			(15,750)
Fixed capital assets - net	702,543,656								702,543,656
Reserve for accident claims - Municipal Railway							2,557,344		(2,557,344)
Reserve for Workmen's Compensation claims, sick leaves, vacations, etc.							449,305		(449,305)
Reserve for outstanding tokens - Municipal Railway							483		(483)
Reserve for refunds - Water Department							474,737		(474,737)
Other reserves - Water Department							9,973		(9,973)
Receivable from State of California - reserved	38,589						38,589		
Deposit - restoration of Civic Center							154,000		(154,000)
Fees due State of California on property sold to State of California						237			(237)
Miscellaneous audit adjustments - net	27,622								27,622
	$ 759,352,572	$231,766,200	$1,871,343	$ 4,521,207		$ 75,917	$1,209,931		$ 519,907,974
Add:									
Interfund accounts	$ 28,255,859				$28,255,859		$	$	$
Accounts receivable reserves	9,244,600						7,813,685		1,430,915
Reserve for Water Department revenues collected - in litigation							309,631		(309,631)
Other Water Department reserves							36,731		(36,731)
Airport reserve - Western Airlines, Inc.							245,860		(245,860)
Interfund work orders, budget transfers and other adjustments								95,948	(95,948)
Bonds unsold	64,275,000								64,275,000
	$ 101,775,459				$28,255,859		$ 8,405,907	$ 95,948	$ 65,017,745
Fund balance sheets - Exhibit H	$ 492,927,474	-0-	-0-	$58,677,357	$33,334,642	$8,870,364	$11,145,780	$249,876,882	$ 131,022,449

Cash reserves	$ 9,887,131
Unencumbered appropriations	83,823,651
Unappropriated balance of funds	37,311,667
	$131,022,449

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT

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REPORT ON EXAMINATION OF ACCOUNTS

YEAR ENDED JUNE 30, 1959

OFFICES IN
SAN FRANCISCO
NEW YORK
CHICAGO
LOS ANGELES
SEATTLE
HONOLULU

JOHN F. FORBES & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

CABLE ADDRESS
"CERPUBANT"
CROCKER BUILDING
SAN FRANCISCO 4

October 9, 1959.

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

Dear Sir:

Pursuant to your instructions, and under the terms of an agreement with you dated January 20, 1959, we have examined the combining balance sheet of the San Francisco Water Department and Hetch Hetchy Project as of June 30, 1959, and the related combining statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying combining balance sheet and combining statements of income and surplus present fairly the financial position of the San Francisco Water Department and Hetch Hetchy Project at June 30, 1959, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

We present herewith the following exhibits, schedule, and notes:

Exhibit

A - Combining Balance Sheet, June 30, 1959.

Schedule

1 - Combining Summary of Property, Plant, and Equipment, and Related Accumulted Depreciation, June 30, 1959.

B - Combining Statement of Income for the Year Ended June 30, 1959.

C - Combining Statement of Surplus for the Year Ended June 30, 1959.

Notes to Financial Statements, June 30, 1959.

Yours truly,

John F. Forbes & Company

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING BALANCE SHEET, JUNE 30, 1959

ASSETS	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
PROPERTY, PLANT, AND EQUIPMENT (Schedule 1) (Note 1):				
In service:				
Tangible property,	$234,903,791.08		$102,984,259.07	$131,919,532.01
Intangible property,	5,958,543.00		3,222,913.00	2,735,630.00
Not in service - Tangible property,	862,776.58		862,776.58	
Total,	$241,725,110.66		$107,069,948.65	$134,655,162.01
Less accumulated depreciation,	77,811,399.95		36,596,392.56	41,215,007.39
Remainder,	$163,913,710.71		$ 70,473,556.09	$ 93,440,154.62
Under construction,	23,336,613.96		3,973,690.46	19,362,923.50
Total property, plant, and equipment,	$187,250,324.67		$ 74,447,246.55	$112,803,078.12
CASH:				
On deposit with Treasurer,	$ 24,805,664.74		$ 6,566,721.09	$ 18,238,943.65
Revolving funds,	34,000.00		30,000.00	4,000.00
In transit,	37,036.75		35,605.07	1,431.68
Total cash,	$ 24,876,701.49		$ 6,632,326.16	$ 18,244,375.33
ACCOUNTS RECEIVABLE:				
Consumers' accounts,	$ 1,465,921.44		$ 1,182,505.25	$ 283,416.19
Due from sale of bonds,	2,000,000.00			2,000,000.00
Other accounts,	104,795.08		101,157.26	3,637.82
Total,	$ 3,570,716.52		$ 1,283,662.51	$ 2,287,054.01
Less allowance for doubtful accounts,	34,488.32		34,488.32	
Accounts receivable - Net,	$ 3,536,228.20		$ 1,249,174.19	$ 2,287,054.01
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,	$ 2,703.27			$ 2,703.27
Other public service departments,	305,761.67	$40,649.40	$ 4,427.68	341,983.39
Total due from City and County of San Francisco,	$ 308,464.94	$40,649.40	$ 4,427.68	$ 344,686.66
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies,	$ 613,309.38		$ 565,781.99	$ 47,527.39
Commitments for materials and services not received (contra),	13,686,136.36		813,977.40	12,872,158.96
Deposits and other accounts,	225,197.23		204,891.21	20,306.02
Total deferred charges and other assets,	$ 14,524,642.97		$ 1,584,650.60	$ 12,939,992.37
TOTAL,	$230,496,362.27	$40,649.40	$ 83,917,825.18	$146,619,186.49

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING BALANCE SHEET, JUNE 30, 1959

LIABILITIES	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
BONDED DEBT (Note 3):				
Matured bonds not presented for payment,	$ 30,000.00		$ 14,000.00	$ 16,000.00
Maturing within one year,	5,697,000.00		1,924,505.00	3,772,495.00
Maturing subsequent to June 30, 1960,	72,032,000.00		16,200,922.00	55,831,078.00
Total bonded debt,	$ 77,759,000.00		$ 18,139,427.00	$ 59,619,573.00
BOND INTEREST PAYABLE:				
Matured coupons not presented for payment,	$ 50,830.00		$ 6,637.50	$ 44,192.50
Due July 1, 1959,	724,000.00		270,000.00	454,000.00
Accrued, due subsequent to July 1, 1959,	238,548.32			238,548.32
Total bond interest payable,	$ 1,013,378.32		$ 276,637.50	$ 736,740.82
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants outstanding and payroll deductions payable,	$ 1,736,016.30		$ 416,709.99	$ 1,319,306.31
Accounts payable,	488,881.50		113,416.87	375,464.63
Retained percentages due contractors,	1,975,210.49		186,739.87	1,788,470.62
Commitments for materials and services not received (contra),	13,686,136.36		813,977.40	12,872,158.96
Total accounts payable and commitments,	$ 17,886,244.65		$ 1,530,844.13	$ 16,355,400.52
DEPOSITS AND CONSTRUCTION ADVANCES,	$ 265,724.18		$ 258,909.32	$ 6,814.86
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
General departments and funds,	$ 119,877.03		$ 75,142.10	$ 44,734.93
Other public service departments,	29,063.36	$40,649.40	67,569.60	2,143.16
Total due to City and County of San Francisco,	$ 148,940.39	$40,649.40	$ 142,711.70	$ 46,878.09
RESERVES AND DEFERRED CREDITS:				
Workmen's compensation insurance claims,	$ 163,303.69		$ 147,990.61	$ 15,313.08
Consumers' accounts subject to adjustment (Note 2),	474,736.61		474,736.61	
Other,	9,972.50		9,972.50	
Total reserves and deferred credits,	$ 648,012.80		$ 632,699.72	$ 15,313.08
SURPLUS (Exhibit C),	$132,775,061.93		$ 62,936,595.81	$ 69,838,466.12
TOTAL,	$230,496,362.27	$40,649.40	$ 83,917,826.18	$146,618,186.49

See notes to financial statements.

EXHIBIT A (Continued) - 2.

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, AND RELATED ACCUMULATED DEPRECIATION, JUNE 30, 1959

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE:		
Tangible property:		
Water Department:		
Land and rights of way,	$14,291,481.62	
Buildings, structures, and grounds,	1,813,332.83	$ 929,339.12
Source of water supply,	29,531,599.09	10,003,345.84
Pumping station equipment,	1,402,813.07	478,619.26
Purification system,	372,750.49	137,478.32
Transmission and distribution system,	53,679,385.64	23,629,871.99
General equipment,	438,589.78	248,193.01
Automotive equipment,	543,121.86	222,171.76
Undistributed interest during construction,	911,184.69	379,747.22
Total Water Department,	$102,984,259.07	$36,028,766.52
Hetch Hetchy Project:		
Water plant:		
Land and rights of way,	$ 1,010,623.17	
Buildings, structures, and grounds,	148,224.77	$ 65,067.47
Source of water supply,	69,679,560.17	22,895,356.64
Purification system,	37,313.93	30,255.77
Pumping station equipment,	4,361.35	
General equipment,	70.72	
Total water plant,	$ 70,880,154.11	$22,990,679.88
Power plant:		
Land and rights of way,	$ 332,629.06	
Buildings, structures, and grounds,	1,224,250.98	$ 662,927.10
Hydraulic production plant,	8,708,451.19	5,175,352.72
Transmission system,	2,803,084.22	2,159,541.46
General equipment,	234,993.00	85,079.50
Total power plant,	$ 13,303,408.45	$ 8,082,900.78
Joint plant:		
Land and rights of way,	$ 1,806,687.60	$ 16,380.44
Buildings, structures, and grounds,	1,479,342.58	727,022.47
Source of water supply,	43,818,668.54	9,022,006.97
General equipment,	631,270.73	376,016.85
Total joint plant,	$ 47,735,969.45	$10,141,426.73
Total Hetch Hetchy Project,	$131,919,532.01	$41,215,007.29
Total tangible property in service (Forward),	$234,903,791.08	$77,243,773.91

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT AND HETCH HETCHY PROJECT
COMBINING SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT, ETC.

	PROPERTY, PLANT, AND EQUIPMENT	ACCUMULATED DEPRECIATION
IN SERVICE (Continued):		
Total tangible property in service (Forward),.....	$234,903,791.08	$77,243,773.91
Intangible property:		
Water rights and other intangible property:		
Water Department,.....	$ 3,222,913.00	
Hetch Hetchy Project,.....	2,735,630.00	
Total intangible property in service,.....	$ 5,958,543.00	
NOT IN SERVICE:		
Tangible property:		
Water Department,.....	$ 862,776.58	$ 567,626.04
UNDER CONSTRUCTION:		
Water Department:		
Balboa reservoir,.....	$ 636,156.66	
Sunset reservoir,.....	2,676,905.94	
Crystal Springs pipe line No. 3,.....	237,268.61	
Water mains,.....	292,586.90	
Other,.....	130,772.35	
Total Water Department,.....	$ 3,973,690.46	
Hetch Hetchy Project:		
Cherry and Canyon power projects,.....	$ 19,209,018.78	
Cherry Valley dam,.....	92,748.01	
Other,.....	61,156.71	
Total Hetch Hetchy Project,.....	$ 19,362,923.50	
Total property under construction,.....	$ 23,336,613.96	
TOTAL PROPERTY, PLANT, AND EQUIPMENT,.....	$265,061,724.62	$77,811,399.95

ADDITIONS TO COMBINED PROPERTIES IN SERVICE, YEAR ENDED JUNE 30, 1959:	
Water Department:	
Land and rights of way,.....	$ 121,062.86
Buildings, structures, and grounds,.....	100,057.47
Source of water supply,.....	26,302.80
Pumping station equipment,.....	1,035.25
Purification system,.....	46,690.08
Transmission and distribution system,.....	917,712.18
Automotive equipment,.....	123,294.00
Other,.....	40,414.54
Total Water Department,.....	$1,376,569.18
Hetch Hetchy Project:	
Water plant,.....	$ 4,432.07
Power plant,.....	154,064.92
Joint plant,.....	32,004.97
Total Hetch Hetchy Project,...	$ 190,501.96
TOTAL ADDITIONS TO COMBINED PROPERTIES IN SERVICE,	$1,567,071.14

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF INCOME
FOR THE YEAR ENDED JUNE 30, 1959

	COMBINED	ELIMINATIONS	WATER DEPARTMENT	HETCH HETCHY PROJECT
OPERATING REVENUES (Note 2):				
Water sales,.....	$14,875,439.29	$4,500,000.00	$14,875,439.29	$4,500,000.00
Electrical energy sales,.....	5,379,041.63			5,379,041.63
Total operating revenues,...	$20,254,480.92	$4,500,000.00	$14,875,439.29	$9,879,041.63
OPERATING EXPENSES:				
Standby charge and purchases of water,...		$4,500,000.00	$ 4,500,000.00	
Purchases of electrical energy,.....	$ 1,519,209.63			$1,519,209.63
Production expenses,.....	434,077.92			434,077.92
Source of water supply,.....	626,143.18		626,143.18	
Pumping,.....	378,082.93		378,082.93	
Purification,.....	248,448.41		248,448.41	
Transmission and distribution,.....	2,903,250.91		1,368,703.84	1,534,547.07
Commercial,.....	734,678.79		720,064.79	14,614.00
Administration and general,.....	2,718,712.51		1,869,181.28	849,531.23
Provision for doubtful accounts,.....	61,005.14		61,005.14	
Depreciation,.....	3,094,744.23		1,173,932.41	1,920,811.82
Total operating expenses,...	$12,718,353.65	$4,500,000.00	$10,945,561.99	$6,272,791.66
OPERATING INCOME,.....	$ 7,536,127.27		$ 3,929,877.31	$3,606,249.96
OTHER INCOME:				
Gain (loss) from sales of property,.....	$ 56,336.40		$ (550.76)	$ 56,887.16
Rentals received, including crop sales,..	428,826.27		375,233.88	53,592.39
Interest earned,.....	79,592.49		79,592.49	
Miscellaneous,.....	41,486.39		28,367.29	13,119.10
Total other income,.....	$ 606,241.55		$ 482,642.90	$ 123,598.65
Total,.....	$ 8,142,368.82		$ 4,412,520.21	$3,729,848.61
OTHER DEDUCTIONS:				
Interest on bonded debt,.....	$ 1,830,149.94		$ 665,209.94	$1,164,940.00
Agricultural division and crop expense,..	123,971.83		123,971.83	
Miscellaneous,.....	48,715.05		48,715.05	
Total other deductions,.....	$ 2,002,836.82		$ 837,896.82	$1,164,940.00
EXCESS OF REVENUES OVER EXPENSES (Exhibit C),.....	$ 6,139,532.00		$ 3,574,623.39	$2,564,908.61

See notes to financial statements.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT AND HETCH HETCHY PROJECT

COMBINING STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1959

	COMBINED	WATER DEPARTMENT	HETCH HETCHY PROJECT
BALANCE, JUNE 30, 1958,...	$126,635,529.93	$59,361,972.42	$67,273,557.51
ADDITIONS - EXCESS OF REVENUES OVER EXPENSES (Exhibit B),.....	6,139,532.00	3,574,623.39	2,564,908.61
BALANCE, JUNE 30, 1959 (Exhibit A),.....	$132,775,061.93	$62,936,595.81	$69,838,466.12

See notes to financial statements.

EXHIBIT C

NOTE:

1. Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission shall make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recently completed appraisal as of June 30, 1953, have been given effect to in the accounts as of June 30, 1959. The appraisal as of June 30, 1958, has not yet been completed. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1959, is based upon rates as set forth in the 1953 appraisal.

   The major construction projects of the Water Department in progress at June 30, 1959, have total estimated costs of $3,973,690.46. Costs to complete these projects are estimated at $578,950.76 at that date.

   On November 8, 1955, the electors of the City and County of San Francisco approved a bond issue in the amount of $54,000,000.00 for the acquisition, construction, and completion of the Cherry and Canyon power projects in Tuolumne County, California. Bonds in the total amount of $31,000,000.00 were issued during the years 1957, 1958, and 1959. Expenditures to June 30, 1959, on these projects amounted to $19,209,018.78. Costs to complete the portion of these projects which were in progress at that date are estimated at $12,109,634.22.

2. Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers are billed bi-monthly.

   The combining statement of income, Exhibit B, does not include recorded revenues from water delivered to certain municipal departments without charge which, if billed at regular rates, would have amounted to $806,447.35; nor does the statement include a charge of an equal amount for municipal tax expense which is also included in the accounts of the Water Department. The amount of $806,447.35 was computed and recorded in contra accounts in token of compliance with Section 64 of the Charter

(Continued) - 1.

of the City and County of San Francisco, which provides that the accounts of each utility shall be maintained in such manner as to show estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated. However, in June, 1958, the Assessor of the City and County of San Francisco estimated Water Department real property taxes within San Francisco for the fiscal year ended June 30, 1957, would have amounted to $1,708,880.00 had the utility been privately owned and operated. No more recent estimate has been made.

Certain consumers entered into contracts with the Spring Valley Water Company which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period from November 17, 1950, to June 30, 1959. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom. Reserves aggregating $474,736.61 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made in the accompanying balance sheet for damages, if any, resulting from cancellation of these contracts.

3. The combined bonded debt of the City and County of San Francisco applicable to the Water Department and Hetch Hetchy Project aggregated $77,759,000.00 at June 30, 1959. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

(Continued) - 2.

	Matured	Unmatured	Total
Water Department:			
Spring Valley, July 1, 1928 - 4-1/2%,	$14,000.00	$12,000,000.00	$12,014,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2-1/2%,		367,200.00	367,200.00
Series D, November 1, 1949 - 1-1/4% and 1-1/2%,		4,170,000.00	4,170,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,		648,522.00	648,522.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,		939,705.00	939,705.00
Total Water Department,	$14,000.00	$18,125,427.00	$18,139,427.00
Hetch Hetchy Project:			
Water, July 1, 1910 - 4-1/2%,	$ 1,000.00	$ 6,000,000.00	$ 6,001,000.00
Hetch Hetchy Water, January 1, 1925 - 5%,	4,000.00	2,500,000.00	2,504,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%,	4,000.00	11,400,000.00	11,404,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%,	7,000.00	2,300,000.00	2,307,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2-1/2%,		3,007,800.00	3,007,800.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%,		1,850,478.00	1,850,478.00
Series F, August 1, 1953 - 2-1/4% and 2-1/2%,		185,295.00	185,295.00
1949 Cherry Valley Dam:			
Series A, March 1, 1952 - 1-1/4%,		320,000.00	320,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%,		1,965,000.00	1,965,000.00
1955 Hetch Hetchy Power:			
Series A, April 1, 1957 - 2-1/2% to 6%,		9,500,000.00	9,500,000.00
Series B, November 1, 1957 - 3% to 6%,		11,700,000.00	11,700,000.00
Series C, May 1, 1958 - 2% to 6%,		4,875,000.00	4,875,000.00
Series D, December 1, 1958 - 3% to 6%,		2,000,000.00	2,000,000.00
Series E, June 1, 1959 - 3% to 6%,		2,000,000.00	2,000,000.00
Total Hetch Hetchy Project,	$16,000.00	$59,603,573.00	$59,619,573.00
Total,	$30,000.00	$77,729,000.00	$77,759,000.00

(Continued) - 3.

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1980. A summary of maturities for the succeeding five years follows:

Year Ending June 30	Amount
1960,.....	$5,697,000.00
1961,.....	5,747,000.00
1962,.....	6,147,000.00
1963,.....	6,832,000.00
1964,.....	6,827,000.00

4. The Water Department carries insurance coverage with insurance carriers against losses from boiler explosion, burglary, plate glass breakage, automobile public liability and property claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Water Department acts as self-insurer against other losses including other property casualty losses, other public liability and property damage claims, and workmen's compensation claims.

   The Hetch Hetchy Project carries insurance coverage with insurance carriers against losses from public liability and property damage claims and casualty losses of buildings, with the exception of certain buildings having nominal values. The Hetch Hetchy Project acts as self-insurer against other losses, including other property casualty losses and workmen's compensation claims.

5. Under provision of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1959.

6. The Water Department was contingently liable as of June 30, 1959, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Project was contingently liable as of that date under various suits for alleged damages to wells and springs. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.

(Concluded) - 4.

Municipal Railway of San Francisco

REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1959

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET
SAN FRANCISCO 4

August 20, 1959

Honorable H. D. Ross,
Controller, City and County
of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the balance sheet of the Municipal Railway of San Francisco as of June 30, 1959 (Exhibit A) and the related statements of income and surplus (Exhibits B and C) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1959 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also comprehended the supplemental schedules relating to Summary of Fixed Capital - Road and Equipment (Schedule 1), Summary of Accumulated Depreciation of Fixed Capital - Road and Equipment (Schedule 2), Unmatured Bonded Debt (Schedule 3), Financial Position (Schedule 4), and supplemental financial information, and, in our opinion, they present fairly in all material respects in relation to the basic financial statements taken as a whole, the information indicated by their respective titles.

The balance sheet, statements of income and surplus, and supplemental schedules were reviewed with Mr. David F. Supple, Consultant and Statistician to the Grand Jury of the City and County of San Francisco.

Yours truly,

Haskins & Sells

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1959

ASSETS

FIXED CAPITAL (Note 1):		
Road and equipment	$35,705,736.65	
Less accumulated depreciation	21,669,986.18	
Road and equipment - net	14,035,750.47	
Construction in progress	1,852.55	
Total fixed capital		$14,037,603.02
CASH:		
On deposit with Treasurer	1,802,382.41	
Revolving funds	20,000.00	
Total cash		1,822,382.41
FARE BOX OPERATING CHANGE FUND		170,000.00
ACCOUNTS RECEIVABLE		83,633.20
INTERFUND ACCOUNTS RECEIVABLE:		
Due from General City and County	1,853,100.51	
Due from other public service enterprises	1,801.27	
Total interfund accounts receivable		1,854,901.78
DEFERRED CHARGES:		
Materials and supplies - principally at average cost and at estimated scrap or useful value	655,441.96	
Prepaid rental of leased equipment	2,375,315.56	
Other deferred charges	137,523.52	
Uncompleted contracts, purchase orders, and other commitments (see contra)	768,130.27	
Total deferred charges		3,936,411.31
TOTAL		$21,904,931.72

LIABILITIES

BONDED DEBT:		
Unmatured bonds:		
Maturing within one year	$ 1,534,000.00	
Maturing subsequent to June 30, 1960	5,848,000.00	
Total	7,382,000.00	
Matured bonds not presented for payment	200.00	
Total bonded debt		$ 7,382,200.00
BOND INTEREST PAYABLE:		
Accrued but not due	55,564.17	
Matured coupons not presented for payment	1,802.50	
Total bond interest payable		57,366.67
ACCOUNTS PAYABLE, ACCRUED LIABILITIES, AND COMMITMENTS:		
Outstanding warrants and payroll deductions	1,094,315.27	
General creditors	182,186.44	
Accrued salaries and wages	3,608.88	
Accrued social security taxes	44,094.52	
Uncompleted contracts, purchase orders, and other commitments (see contra)	768,130.27	
Total accounts payable, accrued liabilities, and commitments		2,092,335.38
INTERFUND ACCOUNTS PAYABLE:		
Due to General City and County	100,807.71	
Due to other public service enterprises	57,212.13	
Total interfund accounts payable		158,019.84
ESTIMATED LIABILITIES (reserves):		
Accident claims	2,567,443.76	
Employees' compensation claims	386,000.00	
Outstanding tokens	483.00	
Total estimated liabilities		2,953,926.76
DEFERRED CREDITS		40,926.94
SURPLUS:		
Contributed surplus	21,736,467.84	
Less deficit from operations	15,977,511.00	5,758,956.84
TOTAL		$21,904,931.72

The accompanying Notes to Financial Statements are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1959 AND 1958, AND COMPARISON

	YEAR ENDED JUNE 30		INCREASE
	1959	1958	(DECREASE)
OPERATING INCOME:			
Passenger revenue	$19,604,367.82	$19,620,618.62	$ (16,250.80)
Advertising revenue	166,627.29	155,983.59	10,643.70
Rents	15,016.30	15,889.98	(873.68)
Other	32,265.26	49,625.33	(17,360.07)
Total	19,818,276.67	19,842,117.52	(23,840.85)
OPERATING EXPENSES:			
Maintenance and repairs:			
Way and structures	736,894.73	780,563.50	(43,668.77)
Equipment	2,163,621.24	2,155,673.92	7,947.32
Total	2,900,515.97	2,936,237.42	(35,721.45)
Power	1,714,030.94	1,827,363.53	(113,332.59)
Conducting transportation	11,744,670.78	11,544,163.63	200,507.15
General and miscellaneous	2,731,873.81	2,446,159.53	285,714.28
Payroll taxes	282,643.60	261,201.69	21,441.91
Total	19,373,735.10	19,015,125.80	358,609.30
Provision for accident claims	1,666,371.25	1,667,752.58	(1,381.33)
Depreciation	1,074,052.21	1,056,028.47	18,023.74
Rent of leased equipment (Note 1)	1,341,452.97	1,049,708.82	291,744.15
Total	23,455,611.53	22,788,615.67	666,995.86
LOSS FROM OPERATIONS	3,637,334.86	2,946,498.15	690,836.71
OTHER EXPENSES:			
Interest on bonded debt	153,631.45	182,051.07	(28,419.62)
Loss on fixed capital assets retired	26,675.25	31,913.38	(5,238.13)
Loss on sales of fixed capital assets	3,880.10		3,880.10
Obsolescence of materials and supplies	9,347.40	41,735.73	(32,388.33)
Net adjustment resulting from appraisal of fixed capital as of June 30, 1958	39,421.63		39,421.63
Net adjustment to prior years' losses	32,155.22	(17,145.49)	49,300.71
Total	265,111.05	238,554.69	26,556.36
Total	3,902,445.91	3,185,052.84	717,393.07
OTHER INCOME:			
Interest on bank balances	18,932.38	24,180.58	(5,248.20)
Gains on sales of fixed capital assets, proceeds from sale of scrap, and sundry income	92,165.00	130,766.22	(38,601.22)
Total	111,097.38	154,946.80	(43,849.42)
NET LOSS	$ 3,791,348.53	$ 3,030,106.04	$ 761,242.49

The accompanying Notes to Financial Statements
are an integral part of this statement.

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1959

CONTRIBUTED SURPLUS:		
Balance, July, 1, 1958.....	$21,319,686.03	
Contributions from General Fund of the City and County of San Francisco - from general taxes....	5,888,801.31	
Balance, June 30, 1959.....		$27,208,487.34
DEFICIT FROM OPERATIONS:		
Balance, July 1, 1958.....	14,086,182.67	
Net loss for year.....	3,791,348.53	
Balance, June 30, 1959.....		17,877,531.20
NET SURPLUS, JUNE 30, 1959.....		$ 9,330,956.14

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1959

1. FIXED CAPITAL

Fixed capital - road and equipment - is stated at appraisal valuations as of June 30, 1958 plus subsequent additions at cost. Accumulated depreciation is stated at amounts determined by appraisal as of June 30, 1958.

The fixed capital as of June 30, 1959 included non-operated track, roadway, underground conduit, distribution system, poles, and fixtures, fully depreciated, in the aggregate amount of approximately $1,150,000 and non-operated equipment, substantially fully depreciated, of approximately $2,230,000. The amount of non-operated facilities included in the power classification has not as yet been determined by the Railway.

The provision for depreciation of fixed capital for the year ended June 30, 1959 amounted to $1,074,052.21.

Certain of the motor coaches in operation are leased and under the terms of the contract additional coaches are to be leased and placed in operation. Each fleet of coaches is leased to the Railway for a period of six years with annual rentals computed on a mileage basis. Total rentals and related charges for the coaches in operation amounted to $1,259,674.25 for the year ended June 30, 1959. Sixty-six used one-man electric streetcars are leased for a period of nine years from dates placed in service. The rental is on a per individual car basis and $78,423.84 was charged to operations during the year ended June 30, 1959. Fare boxes (locked-type) and coin assorters are leased for terms of five and nine years, respectively. Rentals for the year ended June 30, 1959 were $3,354.88.

No city and county property taxes or franchise taxes are paid by the Railway in the operation of its business.

2. PENSION PLAN

The Railway, as a part of the City and County of San Francisco, has a compulsory retirement plan for full-time employees. The Retirement System is financed by contributions from the employees and the Railway through the City and County of San Francisco. Payments to the Retirement System for benefits, charged to income for the year ended June 30, 1959, amounted to approximately $965,000, were made in amounts on the basis of actuarial computations, and are stated to be adequate to provide pensions for employees as they retire. Amounts payable for past-service benefits were the liability of the City and County of San Francisco.

Railway employees are entitled to the additional benefits provided under the Federal Insurance Contributions Act of the Social Security Law.

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1959

	BALANCE JULY 1, 1958	APPRAISAL ADJUSTMENTS	ADJUSTED BALANCE JULY 1, 1958	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS	BALANCE JUNE 30, 1959
WAY AND STRUCTURES:							
Right of way	$ 157,632.33	$ (59,372.05)	$ 98,260.28				$ 98,260.28
Other land	1,052,369.70	50,000.00	1,102,369.70				1,102,369.70
Grading	670,897.23	(8,720.00)	662,177.23		$ 274.56		661,902.67
Ballast	327,378.55	(6,436.18)	320,942.37		87.54		320,854.83
Ties	215,324.40	(2,521.16)	212,803.24		93.50		212,709.74
Rails, rail fastenings, and joints	1,082,092.82	(8,442.84)	1,073,649.98				1,073,649.98
Special track work	464,582.28	(17,753.00)	446,829.28		3,162.44		443,666.84
Underground construction	1,774,157.71	(3,358.00)	1,770,799.71	$ 36,982.28			1,807,781.99
Track and roadway labor	1,617,122.93	(14,809.07)	1,602,313.86	13,184.26	394.40		1,615,103.72
Paving	1,128,519.63	(17,188.10)	1,111,331.53	4,866.60	135.00		1,116,063.13
Roadway machinery and tools	66,287.10		66,287.10				66,287.10
Tunnels and subways	14,987.49	(1,763.23)	13,224.26				13,224.26
Bridges, trestles, and culverts	4,334.85		4,334.85				4,334.85
Crossings, fences, and signs	4,113.01		4,113.01		95.00		4,018.01
Signals and interlocking apparatus	13,335.76		13,335.76		1,462.73		11,873.03
Communication systems	54,321.59		54,321.59	2,593.91	269.07		56,646.43
Poles and fixtures	1,439,372.19		1,439,372.19	10,258.25	62,682.72		1,386,947.72
Underground conduits	459,246.79		459,246.79				459,246.79
Distribution system	3,801,341.20		3,801,341.20	21,509.55	13,238.88		3,809,611.87
Shops, carhouses, and garages	4,879,639.06		4,879,639.06		4,423.52		4,875,215.54
Stations - miscellaneous buildings and structures	172,462.52	119,787.92	292,250.44				292,250.44
Total	19,399,519.14	29,424.29	19,428,943.43	89,394.85	86,319.36		19,432,018.92
EQUIPMENT:							
Electric streetcars	1,318,195.57	(109,569.69)	1,208,605.88		236,812.30	$(10,858.41)	960,935.17
Cable cars	329,001.48	(20,312.00)	308,689.48				308,689.48
Motor coaches	4,723,941.91	(40,847.39)	4,683,094.52		382,887.55	(32,084.47)	4,332,291.44
Trolley coaches	7,362,129.06	(768.95)	7,361,360.11		62,901.31		7,298,458.80
Fare boxes	155,834.05		155,834.05		126.45		155,707.60
Service equipment - electric	84,799.71		84,799.71		10,294.92	10,858.41	85,363.20
Electric equipment of streetcars and trolley coaches	595,436.89	(31,979.35)	563,457.54		131,979.32		431,478.22
Shop equipment	836,884.09	9,030.00	845,914.09	11,188.08			857,102.17
Furniture and office equipment	235,162.63	00.00	235,162.63	2,448.05	1,448.81		236,161.87
Automotive and miscellaneous service equipment	275,608.12		275,608.12	18,758.47	11,175.82	44,320.47	327,511.24
Total	16,916,983.55	(194,447.38)	16,722,536.17	32,394.60	840,826.98		15,914,103.79
POWER:							
Substation buildings	374,644.04		374,644.04				374,644.04
Power plant equipment - cable cars	281,887.96		281,887.96				281,887.96
Substation equipment	722,618.06	(40,833.00)	681,785.06				681,785.06
Transmission system	6,086.76		6,086.76				6,086.76
Total	1,385,236.82	(40,833.00)	1,344,403.82				1,344,403.82
TOTAL	$ 36,701,739.51	$ (205,856.09)	$ 36,495,883.42	$ 121,789.45	$ 913,359.15		$ 36,690,526.53

( ) denotes deduction

Reference is made to Note 1 of Notes to Financial Statements.

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF ACCUMULATED DEPRECIATION OF FIXED CAPITAL - ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1959

	BALANCE JULY 1, 1958	APPRAISAL ADJUSTMENTS	ADJUSTED BALANCE JULY 1, 1958	PROVISION FOR YEAR	RETIREMENTS	RECLASSIFICATIONS AND OTHER ADJUSTMENTS	BALANCE JUNE 30, 1959
WAY AND STRUCTURES:							
Grading	$ 298,235.76	$ (8,720.00)	$ 289,515.76	$ 31,488.40	$ 274.56		$ 320,729.60
Ballast	236,653.35	(6,436.18)	230,217.17	7,267.93	87.54		237,397.56
Ties	141,821.61	(2,521.16)	139,300.45	5,966.76	93.50		145,173.71
Rails, rail fastenings, and joints	743,759.99	(8,442.84)	735,317.15	23,453.11			758,770.26
Special track work	249,971.77	(17,753.00)	232,218.77	13,841.01	3,099.20		242,960.98
Underground construction	1,221,646.50	(3,358.00)	1,218,288.50	28,215.76			1,246,504.26
Track and roadway labor	837,658.64	(14,809.07)	822,849.57	61,337.67	394.40		883,792.84
Paving	731,917.13	(17,188.10)	714,729.03	30,837.23	135.00		745,431.26
Roadway machinery and tools	56,722.97		56,722.97	673.76			57,396.73
Tunnels and subways	14,987.49	(1,763.23)	13,224.26				13,224.26
Bridges, trestles, and culverts	3,576.21		3,576.21	108.37			3,684.58
Crossings, fences, and signs	2,306.45		2,306.45	228.34	95.00		2,439.79
Signals and interlocking apparatus	8,213.15		8,213.15	567.18	1,291.85		7,488.48
Communication systems	45,667.82		45,667.82	1,902.19	269.07		47,300.94
Poles and fixtures	770,539.38		770,539.38	25,053.25	59,548.58		736,044.05
Underground conduits	293,233.01		293,233.01	8,433.02			301,666.03
Distribution system	1,605,863.96		1,605,863.96	33,366.79	11,253.05		1,687,977.70
Shops, carhouses, and garages	2,107,787.25		2,107,787.25	101,324.79	4,423.52		2,204,688.52
Stations - miscellaneous buildings and structures	83,038.01	122,160.27	205,198.28	5,837.56			211,035.84
Total	9,453,600.45	41,869.69	9,495,469.14	389,803.12	80,965.27		9,803,716.99
EQUIPMENT:							
Electric streetcars	690,839.22	(91,023.34)	599,815.88	48,555.59	233,907.88	$(10,650.41)	404,813.18
Cable cars	321,365.48	(20,312.00)	301,053.48				301,053.48
Motor coaches	4,680,741.91	(40,847.39)	4,639,894.52		359,437.55	(31,766.47)	4,248,690.50
Trolley coaches	4,061,235.36	(768.95)	4,060,466.41	487,044.92	46,420.88		4,501,090.45
Fare boxes	90,791.91	3,727.97	94,519.88	8,896.07	88.10	34,598.39	137,926.24
Service equipment - electric	83,495.07		83,495.07		9,986.14	10,650.41	84,159.34
Electric equipment of streetcars and trolley coaches	341,773.44	(29,771.44)	312,002.00	19,550.95	129,328.53		202,224.42
Shop equipment	624,932.28	6,476.00	631,408.28	29,043.40			660,451.68
Furniture and office equipment	177,227.15	26.00	177,253.15	7,035.70	1,579.25		182,709.60
Automotive and miscellaneous service equipment	222,230.04		222,230.04	11,810.39	17,146.73	31,766.47	248,660.17
Total	11,294,631.86	(172,493.15)	11,122,138.71	612,937.02	797,895.06	34,598.39	10,971,779.06
POWER:							
Substation buildings	283,419.95		283,419.95	7,663.33			291,083.28
Power plant equipment - cable cars	95,538.00		95,538.00	6,478.60			102,016.60
Substation equipment	472,332.09	(34,746.00)	437,586.09	7,070.14			444,656.23
Transmission system	6,734.02		6,734.02				6,734.02
Total	858,024.06	(34,746.00)	823,278.06	21,212.07			844,490.13
TOTAL	$21,606,256.37	$ (164,370.46)	$21,440,185.91	$1,074,052.21	$878,850.33	$ 34,598.39	$21,669,986.18

( ) denotes deduction

Reference is made to Note 1 of Notes to Financial Statements.

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT
JUNE 30, 1959

	INTEREST RATES	PRINCIPAL AMOUNT OF ANNUAL MATURITIES	MATURITY DATES	PRINCIPAL AMOUNT OUTSTANDING JUNE 30, 1959
REHABILITATION ISSUE OF 1947:				
Series A (dated February 1, 1948)	2-1/2%	$433,000.00	February 1, 1960-63	
Series B (dated August 1, 1948).	2%	559,000.00	August 1, 1959-60..	$1,118,000.00
	2%	560,000.00	August 1, 1961-63..	1,680,000.00
Series C (dated March 1, 1949)..	1-1/2%	400,000.00	March 1, 1960-64...	
Series D (dated August 1, 1949).	1-1/4%	104,000.00	August 1, 1959-60..	208,000.00
	1-1/2%	104,000.00	August 1, 1961-64..	416,000.00
Series E (dated November 1, 1949)	1-1/4%	38,000.00	November 1, 1959-61	114,000.00
	1-1/2%	38,000.00	November 1, 1962-64	114,000.00
		TOTAL.....		

MUNICIPAL RAILWAY OF SAN FRANCISCO

FINANCIAL POSITION, JUNE 30, 1959 AND 1958, AND COMPARISON

	JUNE 30		INCREASE
	1959	1958	(DECREASE)
ASSETS:			
Fixed capital (net value)	$14,037,603	$15,131,549	$(1,093,946)
Cash (see Note)	1,822,382	2,984,858	(1,162,476)
Fare box operating change fund	170,000		170,000
Accounts receivable	83,633	65,212	18,421
Interfund accounts receivable	1,854,902	14,518	1,840,384
Deferred charges:			
Materials and supplies	655,442	636,261	19,181
Prepaid rental of leased equipment	2,375,316	1,851,657	523,659
Commitments	768,130	900,729	(132,599)
Other	137,524	99,829	37,695
TOTAL	$21,904,932	$21,684,613	$ 220,319
LIABILITIES:			
Bonded debt	$ 7,382,200	$ 9,036,200	$(1,654,000)
Bond interest payable	57,367	69,399	(12,032)
Accounts payable, commitments, etc	2,250,355	2,476,500	(226,145)
Estimated liabilities	2,843,827	2,829,896	13,931
Deferred credits	40,227	39,115	1,112
Contributed surplus	27,208,487	21,319,686	5,888,801
Deficit from operations	(17,877,531)	(14,086,183)	(3,791,348)
TOTAL	$21,904,932	$21,684,613	$ 220,319

NOTE: The decrease in cash as of June 30, 1959 as compared with June 30, 1958 was accounted for as follows:

Funds applied:		
Loss for year		$3,791,348.53
Less non-cash charges to operations:		
Depreciation	$1,074,052.21	
Obsolescence of materials and supplies	9,347.40	
Retirement of fixed capital assets:		
Appraisal as of June 30, 1958	39,421.63	
Other	61,273.64	1,184,094.88
Net funds applied to loss for year - (Forward)		$2,607,253.65

(Continued) - 1.

MUNICIPAL RAILWAY OF SAN FRANCISCO
FINANCIAL POSITION, ETC.

Funds applied - (Continued):		
Net funds applied to loss for year - (Forward)		$2,607,253.69
Additions to fixed capital assets	$ 121,749.55	
Less decrease in construction in progress	33,214.50	88,535.05
Increase in:		
Fare box operating change fund		170,000.00
Accounts receivable		18,421.01
Interfund accounts receivable		1,840,384.17
Deferred charges, including valuation adjustment of $9,347.40 charged to operations - see above		457,282.55
Redemption of bonded debt		1,654,000.00
Decrease in:		
Bond interest payable		12,092.30
Accounts payable		29,112.88
Interfund accounts payable		197,032.11
Total funds applied		7,074,053.72
Funds provided:		
Contributions from General Fund of City and County of San Francisco - from general taxes for operating expenses		5,880,801.31
Proceeds from sale of fixed capital assets	3,853.64	
Add loss on sale of fixed capital assets	3,880.10	7,733.74
Increase in estimated liabilities		13,930.81
Increase in deferred credits		1,112.03
Total funds provided		5,911,577.89
Decrease in cash as of June 30, 1959		$1,162,475.83

(Concluded) - 2.

SUPPLEMENTAL FINANCIAL INFORMATION

The following comments concern principally certain information relating to various balances appearing in the accompanying financial statements:

FIXED CAPITAL (LESS ACCUMULATED DEPRECIATION, $21,669,986.18) - $14,037,603.02

The recorded valuation of the investment in fixed capital assets, other than construction work in progress, at June 30, 1959, and the related accumulated depreciation are set forth in Schedules 1 and 2.

The fixed capital assets are recorded in the accounts principally at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

With the exception of the Market Street Extension which was recorded at appraised valuations as of September 29, 1944, additions to property, subsequent to June 30, 1938, were recorded substantially at cost. Acquisitions of property prior to June 30, 1938 were recorded at appraised valuations as of that date. California Street Cable Railway Company properties were purchased for $150,000 from general funds of the City and County of San Francisco and contributed to the Railway.

In accordance with the provisions of Section 128 of the Charter, an appraisal of the properties of the Railway was made as of June 30, 1958 to determine the probable useful life, the values, and the reasonable annual depreciation. This appraisal is a revision of the previous appraisal made as of June 30, 1953. The net adjustments to the recorded values and accumulated depreciation resulting from this 1958 appraisal were recorded as of July 1, 1958.

In connection with the appraisal as of June 30, 1958, the records, based on an engineering report prepared by the Public

Utilities Commission Engineers, showed that the recorded valuations of non-operated track, roadway, and underground conduit amounted to $1,152,137.58, all fully depreciated, and non-operated equipment amounted to $2,229,814.20, substantially fully depreciated.

Provision for depreciation is computed at rates based upon the estimated useful lives of the various classes of assets. It has been the consistent policy of first recording depreciation of an addition to fixed assets in the fiscal year following that in which the asset is put in service and charging income with a full year's depreciation in the year of retirement.

Additions to fixed capital - road and equipment during the year ended June 30, 1959 were as follows:

Way and structures:		
Shift slot rail and acquisition of cable car track - special work on California Street..	$36,982.28	
Raise cable car tracks on Columbus Avenue, Mason to Taylor Streets, and relocation of poles on Columbus Avenue, Bay to North Point Streets.....	22,358.18	
Relocation of poles and overhead, Eighteenth and Market Streets to Clayton Street on number 33 line.....	14,347.53	
Relocation of overhead facilities at Fifth and Mission Streets - in connection with the construction of a public garage.....	6,528.65	
Installation of wyes and curves for J, K, and N streetcar lines.....	5,333.98	
Miscellaneous.....	3,844.18	
Total.....		$ 89,394.85
Equipment:		
Automobiles and miscellaneous service equipment.....	18,710.47	
Shop.....	11,198.08	
Office.....	2,446.15	
Total.....		32,354.70
Total.....		$121,749.55

Recorded retirements to fixed capital - road and equipment during the year ended June 30, 1959 are summarized in the following:

	Road and Equipment	Accumulated Depreciation
Way and structures:		
Overhead, Geary Street from Market Street to the Beach	$ 75,511.81	$ 70,412.33
Sand bins - 15	4,423.52	4,423.52
Crossovers:		
Carl Street between Stanyan and Willard Streets	2,073.72	2,042.10
Judah Street between Twenty-sixth and Twenty-seventh Avenues	2,073.72	2,042.10
Other (poles, switches, and signal box)	2,236.59	2,035.22
Total	86,319.36	80,955.27
Equipment:		
Motor coaches - 23	362,887.55	359,437.55
Electric streetcars:		
Two-man - 21	357,773.63	351,705.56
One-man - 1	22,941.91	21,516.99
Trolley coaches - 4	63,901.30	46,420.88
Mobile fare box unit - 1	10,168.36	10,073.23
Automobiles - 3	3,915.71	3,719.92
Motorcycles - 3	2,119.53	1,907.58
Motor truck - 1	1,522.00	1,446.00
Furniture and office equipment	1,583.52	1,579.25
Fare box - 1	126.45	88.10
Total	826,939.96	797,895.06
Total	$913,259.32	$878,850.33

It is anticipated that owned motor coaches are to be retired as new leased diesel coaches are delivered and put into service, the number to be retired being determined as fleet requirements dictate.

Statistical subsidiary records (unaudited) showed that revenue rolling stock was composed of the following equipment at June 30, 1959:

Streetcars (one-man):		
Owned	39	
Leased	66	
Total		105
Motor coaches:		
Owned	263	
Leased	361	624
Trolley coaches - owned		376
Cable cars - owned		41
Total		1,146

CASH - $1,822,382.41

Cash at June 30, 1959 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund	$1,778,301.66
1947 Municipal Railway Rehabilitation bond fund	22,078.75
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund	1,525.00
Issue of December 1, 1913	277.50
Bond redemption fund - Issue of December 1, 1913	200.00
Total on deposit with Treasurer	1,802,382.41
Revolving funds	20,000.00
Total	$1,822,382.41

FARE BOX OPERATING CHANGE FUND - $170,000.00

In connection with the installation, during the year, of new leased locked-type fare boxes on the revenue equipment, a change fund was established in order to facilitate the handling of cash fares.

At June 30, 1959 the fund had been distributed among platform personnel, division dispatchers, and general office employees in varied amounts as required.

It is expected that the fund is to be increased to approximately $250,000 by late 1959, when it is planned that substantially all of the rolling stock (with the exception of cable cars) will be equipped with the new locked-type fare boxes.

ACCOUNTS RECEIVABLE - $83,633.20

The detail of accounts receivable at June 30, 1959 was as follows:

(See following page)

Fielder, Sorenson & Davis (advertising revenue).		$19,732.03
United States Post Office Department (balance for quarter ended June 30, 1959 under contract to furnish transportation to mail carriers)...		18,163.50
Underwriters at Lloyd's (insurance refund).....		15,531.47
San Francisco Unified School District (charter service).....		2,750.60
Job reimbursements:		
Swinerton and Walberg.....	$13,334.85	
State of California.....	6,040.65	
Crown Zellerbach Corporation.....	3,638.95	
Pacific Gas and Electric Company..	2,836.63	25,851.08
Other.....		1,604.52
Total.....		$83,633.20

INTERFUND ACCOUNTS RECEIVABLE - $1,854,901.78

Of the above balance, $1,853,083.01 represented the uncollected portion of the contribution from the General Fund of the City and County of San Francisco from general taxes.

MATERIALS AND SUPPLIES - $655,441.96

This balance consisted of the book valuation of inventories of materials and supplies aggregating $655,440.96 and metal tokens carried at the nominal amount of $1.00.

Materials and supplies inventories were determined by a tabulation of perpetual inventory records as of May 25, 1959, adjusted for subsequent receipts and issues to June 30, 1959. It is the practice to have employees make physical counts of inventories at various times during the year and to adjust perpetual inventory records to such counts. The inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

PREPAID RENT OF LEASED EQUIPMENT - $2,375,315.56

The balance of prepaid rent of leased equipment at June 30, 1959 consisted of the following:

Motor coaches.....	$1,721,269.65
Streetcars.....	591,043.23
Fare boxes.....	44,203.93
Coin assorters.....	18,798.75
Total.....	$2,375,315.56

On May 16, 1955 a contract was entered into with the Mack Motor Truck Corporation for the lease of a minimum of 440 diesel motor coaches, deliveries to be made as scheduled in the agreement over a period commencing December 1, 1955 and ending July 31, 1960. As of June 30, 1959, statistical records (unaudited) showed that 361 coaches had been received and placed in service, and that these coaches had operated 28,263,084 miles. The prepaid amount which consisted of advanced rental, interest, freight, and use taxes, is to be applied to future operations on the basis of miles of operation.

On April 24, 1957 a contract was entered into with the St. Louis Public Service Company for the lease over a period of nine years of sixty-six used one-man electric streetcars, all of which had been received and put into service prior to June 30, 1958. The $591,043.23 of advanced rental and related charges is to be applied to operations over the remaining life of the lease.

A contract was entered into with Grant Money-Meters Co. on September 24, 1958 for the lease over a period of fifteen years of a minimum of 870 new electrically operated registering locked-type fare boxes. At the end of the fiscal year, 535 fare boxes had been received and placed in service and it is anticipated that the remainder will be in service before December 31, 1959. The rent is approximately $375,000, payable over six years after the dates of delivery. The prepaid balance which consisted of advanced rental and related

charges is to be applied to future operations over the remaining life of the lease.

A contract with the Fitzgerald Electro-Mechanical Co. dated September 15, 1958 covers the lease of six new assorters for coin counting machines for a period of nine years. Five coin assorters had been put into service at June 30, 1959, and the other assorter is expected to be put into service before December 31, 1959. The prepaid balance which consisted of advanced rental and related charges is to be applied to future operations over the remaining life of the lease.

ESTIMATED LIABILITY FOR ACCIDENT CLAIMS - $2,557,343.74

Transactions during the year ended June 30, 1959 are summarized in the following:

Balance, July 1, 1958		$2,668,251.27
Provision for accidents		1,666,371.25
Total		4,334,622.52
Deduct:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	$1,244,838.59	
Services of City Attorney's office	166,264.96	
Claims department payroll	214,647.19	
Cost of excess liability insurance coverage	151,528.04	1,777,278.74
Balance, June 30, 1959		$2,557,343.74

Provision for accident claims for the two years ended June 30, 1959 was made on the basis of 8-1/2% of gross passenger revenue. The examination by employees of the history of claims presented compared with claim payments indicated that the balance at June 30, 1959 appeared adequate to meet payments reasonably to be expected under claims unsettled at June 30, 1959.

ESTIMATED LIABILITY FOR EMPLOYEES' COMPENSATION CLAIMS - $286,000.00

This amount has been established on the basis of information with respect to the aggregate of compensation claims of employees estimated to be outstanding at June 30, 1959, as furnished by the City and County of San Francisco Employee Retirement System.

OPERATIONS

Operations for the year ended June 30, 1959 resulted in a loss of $3,791,348 as compared with a loss of $3,030,106 for the preceding year. These results, which are set forth in detail in Exhibit B, are summarized and compared as follows:

	...Year Ended June 30... 1959	1958	Increase (Decrease)
Operating income:			
Passenger revenue	$19,604,368	$19,620,619	$(16,251)
Advertising, rents, etc	213,909	221,499	(7,590)
Total operating income	19,818,277	19,842,118	(23,841)
Operating expenses	23,455,612	22,788,616	666,996
Loss from operations	3,637,335	2,946,498	690,837
Other expenses	265,111	238,555	26,556
Total	3,902,446	3,185,053	717,393
Other income	111,098	154,947	(43,849)
Net loss	$ 3,791,348	$ 3,030,106	$761,242

Statistical records (unaudited) showed the mileage traveled during the past two years by the various types of equipment as follows:

(See following page)

Type of Equipment	Year Ended June 30 1959 Mileage	1959 Per Cent of Total	1958 Mileage	1958 Per Cent of Total	Increase (Decrease) Mileage
Electric streetcars:					
Two-man			763,261	2.81	(763,261)
One-man	3,371,699	12.78	2,601,352	9.59	770,347
Total	3,371,699	12.78	3,364,613	12.40	7,086
Motor coaches:					
Leased	10,340,671	39.19	8,660,634	31.94	1,680,037
Owned	3,909,050	14.81	6,184,153	22.80	(2,275,103)
Total	14,249,721	54.00	14,844,787	54.74	(595,066)
Trolley coaches	8,305,293	31.48	8,502,388	31.35	(197,095)
Cable cars	460,262	1.74	409,950	1.51	50,312
Total	26,386,975	100.00	27,121,738	100.00	(734,763)

Operating income and expenses are expressed in cents per mile of operation as follows:

	Cents Per Mile Year Ended June 30 1959	1958	Increase (Decrease)
Operating income:			
Passenger revenue	74.296	72.343	1.953
Advertising, rents, etc	.810	.817	(.007)
Total operating income	75.106	73.160	1.946
Operating expenses:			
Maintenance and repairs:			
Way and structures	2.793	2.878	(.085)
Equipment	8.199	7.948	.251
Total	10.992	10.826	.166
Power	6.496	6.738	(.242)
Conducting transportation	44.510	42.564	1.946
General and miscellaneous	10.353	9.019	1.334
Payroll taxes	1.071	.963	.108
Total	73.422	70.110	3.312
Provision for accident claims	6.315	6.149	.166
Depreciation	4.070	3.894	.176
Rent of leased equipment	5.084	3.871	1.213
Total operating expenses	88.891	84.024	4.867
Loss from operations	13.785	10.864	2.921

Operating income - passenger revenue in 1959 was $16,251 less than in 1958. The decline was attributable to a decrease in the average fare for the year, partially offset by an increase in the

number of revenue passengers carried. The effect of these factors on total passenger revenue is shown in the following:

Decrease in revenue due to decrease in average fare (number of revenue passengers carried during the year, 141,054,108 times the decrease in the average fare of $.001102)	$155,453
Increase in revenue due to increase in number of revenue passengers carried (993,752 times the average fare of the preceding year, or $.140087)	139,202
Net decrease	$ 16,251

The increase and decrease in operating expenses for 1959 as compared with 1958 for each of the major expense classifications, segregated between payroll and other costs, are tabulated as follows:

	Increase (Decrease) ....in Operating Expenses....		
	Total	Payroll	Other
Maintenance and repairs:			
Way and structures	$ (43,669)	$ (4,978)	$ (38,691)
Equipment	7,948	60,242	(52,294)
Total	(35,721)	55,264	(90,985)
Power	(113,333)	10,781	(124,114)
Conducting transportation	200,507	199,699	808
General and miscellaneous	285,714	50,791	234,923
Payroll taxes	21,442		21,442
Total	358,609	316,535	42,074
Provision for accident claims	(1,381)		(1,381)
Depreciation	18,024		18,024
Rent of leased equipment	291,744		291,744
Increase in operating expenses	$ 666,996	$316,535	$ 350,461

Total payroll costs in 1959 were more than 1958 because of increases in rates of pay effective July 1, 1958. The comparative rates applicable to the principal payroll classifications follow:

(See following page)

Classification	Number Employed*	Period	Rates Effective During Fiscal Year.. 1958-1959*	1957-1958
Platform men.....	1,950	Hour	$ 2.448	$ 2.244
Trackmen.....	37	Day	21.48	20.04
Shop mechanics.....	28	Day	20.96	19.96
Senior shop mechanics	82	Day	24.66	23.48
Automotive mechanics.	60	Week	110.70	110.70
Automotive machinists	37	Week	115.70	115.70
Car cleaners.....	84	Month	$315-$360	$310-$355
Inspectors.....	101	Month	430- 515	410- 470
General clerks.....	91	Month	305- 370	300- 360

*In accordance with wage and salary ordinance for 1958-1959.

The decrease of $43,669 in total costs for maintenance and repairs of way and structures was accounted for in various expense categories, principally dismantling cable car facilities, repairs to and maintenance of cable car houses, signals and interlockers, and streetcar track, paving, and poles and fixtures.

Non-payroll costs for maintenance and repairs of equipment decreased $52,294 in 1959 as compared with 1958, mainly as a result of the substitution of additional new leased diesel coaches for older motor coaches and the decreased cost of dismantling retired two-man streetcars. Also contributing to this decrease was the decline in total miles traveled by the various types of equipment.

The net decrease in power expenses, other than payroll costs, consisted of the following:

Decrease in cost of gasoline and diesel fuels used in motor coach operations.....	$152,480
Decrease in miscellaneous other power expenses....	9,694
Total.....	162,174
Less increase in cost of replacing cables.....	38,060
Net decrease in power expenses.....	$124,114

The decrease in motor coach fuel costs resulted from continued increased use of new leased diesel coaches in place of other motor

coaches. The statistical records (unaudited) included the following data:

	Year Ended June 30			
	1959		1958	
	Diesel Coaches	Other Coaches	Diesel Coaches	Other Coaches
Total miles traveled..	10,340,671	3,909,050	8,660,634	6,184,153
Cost per mile.....	$.04223	$.08287	$.04332	$.08700

The net decrease in fuel costs is summarized in the following:

Decrease due to operating other coaches fewer miles during the year (2,275,103 times the cost per mile of the preceding year, $.08700).....	$197,934
Increase due to operating diesel coaches more miles than in the preceding year (1,680,037 times the cost per mile of the preceding year, $.04332).....	(72,779)
Decrease due to the lower cost per mile in operating both diesel and other coaches (10,340,671 times $.00109 and 3,909,050 times $.00413).....	27,325
Net decrease in motor coach fuel costs.....	$152,480

The principal factors (approximated) contributing to the increase of $234,923 in non-payroll general and miscellaneous expenses were as follows:

Adjustment to employees' compensation claims.....	$125,000
Initial contribution to the City's new Health Service System.....	40,000
Increase in sick leave benefits.....	40,000
Increase in the pension contribution to the Retirement System.....	32,000
Net decrease in other general and miscellaneous expenses.....	(2,000)
Net increase in general and miscellaneous expenses.....	$235,000

Rentals of leased equipment increased $291,744 in 1959 as compared with 1958 principally as a result of the additional miles the leased coaches were operated during the year. Rentals are paid in advance and are charged to operations on a per mile basis, such charge

in 1959 exceeding that of 1958 by $246,296. Also contributing to the increase in leased equipment rental costs was the effect of a full year's operation of sixty-six leased streetcars.

San Francisco School Department

(A Unified School District)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

JUNE 30, 1959

HAROLD T. HOERTKORN & CO.
CERTIFIED PUBLIC ACCOUNTANTS
24 CALIFORNIA STREET
SAN FRANCISCO 11

HAROLD T. HOERTKORN, C. P. A.
ALVIN J. KOPP, C. P. A.

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

November 2, 1959

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, we have examined the accounts, records and financial statements of the San Francisco Unified School District for the fiscal year ended June 30, 1959. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, based upon the scope of our examination described above, the accompanying Balance Sheets, Statements of Surplus and Statement of Revenues and Expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1959 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Financial statements included herein are as follows:

Exhibit "A"	-	Combined Proprietary Balance Sheet as of June 30, 1959
Schedule "A-1"	-	Proprietary Balance Sheet of the Special Funds as of June 30, 1959
Schedule "A-2"	-	Proprietary Balance Sheet of the Trust Funds as of June 30, 1959
Exhibit "B"	-	Statement of Surplus - Current Fund For the Fiscal Year ended June 30, 1959
Exhibit "C"	-	Statement of Surplus - Capital Funds For the Fiscal Year ended June 30, 1959

Exhibit "D" - Current Fund - Comparative Statement of Revenues and Expenditures For the Fiscal Years ended June 30, 1959 and June 30, 1958

Schedule "D-1" - Comparative Statement of Current Fund Revenues for the Fiscal Years ended June 30, 1959 and June 30, 1958

Schedule "D-2" - Comparative Statement of Current Fund Expenditures for the Fiscal Years ended June 30, 1959 and June 30, 1958

Exhibit "E" - Funds Balance Sheet as of June 30, 1959

Exhibit "F" - Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet as of June 30, 1959

Notes to Financial Statements, June 30, 1959

Sincerely yours,

HAROLD T. HOERTKORN & CO.

Harold T. Hoertkorn

Harold T. Hoertkorn
Certified Public Accountant

GENERAL COMMENTS - PROPRIETARY BALANCE SHEET - Exhibit "A"

CASH - $17,505,921: Comprises the aggregate of School Fund balances on deposit with the Treasurer, cash transfers outstanding, revolving funds, the Hume Foundation, together with the Bond Interest and Redemption funds applicable to School bonds issued by the City and County of San Francisco.

An analysis of the cash balances at June 30, 1959 is as follows:

Balances on Deposit with Treasurer:		
Current Fund (Exhibit "A")		$ 7,826,402
Capital Funds: (Exhibit "A")		
1948 School Bond Fund	$ 371,643	
1956 School Bond Fund	6,751,145	
Real Property Fund	170,007	7,292,795
Special Funds: (Schedule "A-1")		
Child Care Centers	$ 193,539	
School Cafeterias	283,844	
County School Service	5,468	
Balances in the Bond Interest and Redemption funds of the City and County of San Francisco	5,129	487,980
Trust Funds: (Schedule "A-2")		
Withholding Tax	$ 390,410	
Teachers' Annuity	23,746	
Teachers' Retirement	19,462	
Fund for Advancement of Education	24,068	
Miranda Lux Foundation	31,863	
Anna Steinberg Trust	876	
Will C. Steinbrunn Bequest	1,378	
Veterans' Education	35	
Nell V. O'Connell	2,179	494,017
Total		$16,101,194
Cash Transfers Outstanding (Exhibit "A")		1,399,066
Revolving Funds: (Exhibit "A")		
School District	$ 3,000	
Cafeteria	2,500	5,500
Hume Foundation Trust Fund - deposited in American Trust Company (Exhibit "A")		161
TOTAL CASH - June 30, 1959		$17,505,921

Balances on deposit with the Treasurer are the balances of the various funds shown on the accounts of the Treasurer. Warrants drawn against those funds before July 1, 1959, but not presented to the Treasurer for payment before July 1, 1959 are shown as liabilities of the various funds in Exhibit "A".

Cash Transfers outstanding represent the aggregate of amounts in transfer between the various funds and were recorded as completed transactions on the School District ledger as of June 30, 1959, but the transfers were recorded in the accounts of the Treasurer after that date.

ACCOUNTS RECEIVABLE: $817,271 represent amounts due to the Current Fund and Special Funds of the School District at June 30, 1959 as follows:

Current Funds:		
Delinquent Taxes and Penalties	$850,966	
Less: Reserve for unsecured taxes	549,316	$301,650
Other Accounts Receivable:		
Tuition due from other counties and districts - Amount due, but not billed at June 30, 1959	$246,562	
Tuition for prior years, not collected	5,882	
Federal subvention for aid to local education - estimated	170,000	
Federal subvention for vocational training of Veterans	6,293	
Federal Aid under National Defense Program	15,441	
Student Teacher Training Program	10,570	
Disputed Salary Payments of prior years, recoverable at termination of employment	4,845	
Miscellaneous	4,563	464,156
		$765,806
Child Care Center:		
Delinquent Taxes and Penalties	$ 4,274	
Less: Reserve for unsecured taxes	2,182	
	$ 2,092	
State Apportionment	2,492	4,584
School Cafeterias:		
Federal Grant	$ 44,189	
Undeposited Sales Receipts	2,264	
Miscellaneous	428	46,881
TOTAL ACCOUNTS RECEIVABLE - June 30, 1959		$817,271

Secured Taxes and Penalties have been recorded as assets and have been credited to income when assessed. All other accounts receivable have been recorded as assets, but have been offset by deferred credits and will be taken into income only after collection.

INVENTORY - STORES - AT COST: $747,206 comprises unissued supplies, furniture and equipment stored in various warehouses. Portions of the inventory were counted and reconciled with the general ledger at December 31, 1958, January 31, 1959, February 28, 1959 and March 31, 1959. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of the inventory taking. Such adjustments were considered nominal.

INVENTORY - SHOP - AT COST: $34,506 comprises the following:

Refinished furniture, not reissued	$ 6,206
Shop orders in process of completion	2,774
Materials and Supplies	25,526
TOTAL INVENTORY - SHOP - June 30, 1959	$34,506

INVENTORY - CAFETERIA: $54,782 represents a physical inventory at cost of foodstuffs, supplies, etc. Verification was made of the method of pricing, extensions and methods utilized in obtaining the inventory count.

FIXED CAPITAL PROPERTIES: $117,882,173 is the aggregate recorded cost of valuation of land, buildings, improvements and equipment as shown by the Controller's records as of June 30, 1959. Net Additions during the fiscal year ended June 30, 1959 and the accumulated ledger values are summarized as follows:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District Records:				
1948 School Bond Fund	$ 134,376		$ 139,477	$ (5,101)
1956 School Bond Fund	2,787,172	$270,104	2,415,792	101,276
Current Fund	1,146,380	189,983	481,246	475,151
Child Care Centers Fund	8,279			8,279
Real Property Fund	8,856	8,856		
County School Service Fund	4,710			4,710
Miscellaneous Trust Funds	5,521			5,521
Total Additions	$4,095,294	$468,943	$3,036,515	$ 589,836

	Total	Land	Buildings and Improvements	Equipment
Total Additions (Carried Forward)	$ 4,095,294	$ 468,943	$ 3,036,515	$ 589,836
Deductions:				
Net reduction due to properties sold or otherwise disposed of	$ 160,814	$ 125,534	$ 100	$ 35,180
Other	1,748	1,748		
Total Deductions	$ 162,562	$ 127,282	$ 100	$ 35,180
Net additions per Controller's records for the fiscal year ended June 30, 1959	$ 3,932,732	$ 341,661	$ 3,036,415	$ 554,656
Add: Accumulated Ledger values at July 1, 1958	113,949,441	11,224,132	88,883,427	10,841,882
TOTALS-June 30, 1959 (Per Controller's Records - Exhibit "A")	$117,882,173	$11,565,793	$91,919,842	$11,396,538

At June 30, 1959 Fire and General Coverage Insurance in force on the School District Properties was $89,310,000.

BOND INTEREST PAYABLE AND ACCRUED, $233,401 represents:

Matured coupons - not presented by Bondholders	$ 4,129
Interest Accrued - not due at June 30, 1959	229,272
Total	$233,401

Interest on the School Bonds is not recorded on the ledger of the Unified School District because the School Bonds and interest shown thereon are a general obligation of the City and County of San Francisco. The practice is continued, as in past years of reflecting the bonds and interest as part of the Proprietary Balance Sheet, Exhibit "A", as the obligations were incurred for acquisition of Fixed Properties of the School District. The interest accrued of $229,272, but not due as of June 30, 1959, is recorded as a deferred charge at June 30, 1959.

DEFERRED CREDIT - PROVISION FOR SICK LEAVES AND VACATIONS EARNED, $65,235:

This item represents the estimated obligation of the School District for the sick leaves and vacations earned by the Cafeteria employees prior to July 1, 1959.

BONDED DEBT, $45,016,000 is the aggregate of School Bonds outstanding at June 30, 1959, after considering the sales and redemptions during the fiscal year ended June 30, 1959, as shown by the Controller's records, as follows:

	Int. Rate	July 1, 1958	Sold	Redeemed	Balance June 30, 1959
AUTHORIZED IN 1922					
Issued					
Mar. 1, 1923	5.00%	$ 2,707,000		$ 306,000	$ 2,401,000*
AUTHORIZED IN 1948					
Issued					
Mar. 1, 1949-A	1.50	3,000,000		1,000,000	2,000,000
Apr. 1, 1951-B	1.75	6,159,000		769,000	5,390,000
Mar. 1, 1952-C	1.50	7,360,000		240,000	7,120,000
Dec. 1, 1952-D	1.75	8,725,000		405,000	8,320,000
Aug. 1, 1953-E	2.50	3,520,000		320,000	3,200,000
Mar. 1, 1954-F	1.25	1,000,000		200,000	800,000
Mar. 1, 1954-F	1.50	800,000			800,000
Mar. 1, 1954-F	1.75	400,000			400,000
Apr. 1, 1955-G	1.75	3,700,000		200,000	3,500,000
Apr. 1, 1957	6.00	65,000		65,000	Nil
Apr. 1, 1957	2.25	130,000			130,000
Apr. 1, 1957	2.50	730,000			730,000
AUTHORIZED IN 1956					
Issued					
Nov. 1, 1957-A	3.00	4,800,000			4,800,000
Nov. 1, 1957-A	4.75	400,000			400,000
Nov. 1, 1957-A	6.00	800,000		400,000	400,000
Dec. 1, 1958-B	6.00		$ 750,000		750,000
Dec. 1, 1958-B	2.50		500,000		500,000
Dec. 1, 1958-B	2.75		750,000		750,000
Dec. 1, 1958-B	3.00		500,000		500,000
Dec. 1, 1958-B	3.00		1,225,000		1,225,000
June 1, 1959-C	3.00		360,000**		360,000
June 1, 1959-C	3.25		540,000**		540,000
Totals		$44,296,000	$4,625,000	$3,905,000	$45,016,000

* Includes $1,000.00 matured but unpaid at June 30, 1959

** Proceeds credited to school district by Treasurer on July 9, 1959

SURPLUS - EXCESS OF ASSETS OVER LIABILITIES, $86,152,814 comprises the Current Surplus, Capital Surplus, Special Funds and Trust Funds detailed in Exhibit "A" and summarized as follows:

	Assets	Liabilities	Surplus
Current Funds	$10,404,807	$ 5,538,018	$ 4,866,789
Capital Funds	131,533,752	50,769,893	80,763,859*
Special and Trust Funds	1,999,428	1,477,262	522,166
Totals	$143,937,987	$57,785,173	$86,152,814

* Principally represented by land, buildings and equipment

REVENUES AND EXPENDITURES

A Comparative Statement of Revenues and Expenditures of the Current Fund for the fiscal year ended June 30, 1959 and June 30, 1958 is presented in Exhibit "D", Schedule "D-1" and Schedule "D-2". The following is a summary of the Comparative Statements:

	Fiscal Years ended June 30,1959	June 30,1958	Increase (Decrease)
Property Taxes and Penalties*	$25,760,203	$27,506,041	$(1,745,838)
State of California -			
School Funds Apportionment	13,517,173	13,077,036	440,137
Retirement Subventions	1,901,923	1,941,621	(39,698)
Other Revenues	2,310,898	2,008,490	302,408
Total Revenues - Schedule "D-1"	43,490,197	44,533,188	(1,042,991)
Less:			
Total Operating Expenses	43,657,192	41,161,918	2,495,274
Balance	$ (166,995)	$ 3,371,270	$(3,538,265)
Less:			
Net Capital Outlays from Current Fund	1,020,846	1,476,602	(455,756)
Excess of Revenues over Expenditures, which was applied annually to Surplus	$(1,187,841)	$ 1,894,668	$(3,082,509)

* The School District tax rates for the General Fund and assessed valuations for the tax years 1957-58 and 1958-59 were as follows:

1957-1958 tax rate $2.043,149 - assessed valuation $1,339,859,312
1958-1959 tax rate $1.825,645 - assessed valuation $1,364,906,083

Revenues from the State School Fund comprises apportionments based upon the average daily attendance, certain excess expenses of educating handicapped children and for automobile driver training. The total revenue from the State for the fiscal year ended June 30, 1959 was as follows:

	Totals	Elementary Schools	High Schools	City College
Average daily attendance - residents - see Notes 1 and 2	96,695	62,828	27,673	6,194
$125.00 per pupil	$12,086,875	$7,853,500	$3,459,125	$774,250
Apportionment based upon increase in attendance over that of the prior year - see Note 3	$ 386,358	$ 245,562	$ 126,156	$ 14,640
Apportionment for excess expense for educating handicapped children:				
Physically handicapped -				
Average daily attendance	820	693	127	
Extra expense	$ 492,858	$ 416,525	$ 76,333	
Mentally retarded -				
Average daily attendance	1,338	828	510	
Extra expense	267,600	165,600	102,000	
Severely mentally retarded -				
Average daily attendance	138	138		
Extra expense	62,100	62,100		
Transportation expense of certain handicapped children	381	381		
Expense to District	128,912	128,912		
Total for handicapped children	$ 951,470	$ 773,137	$ 178,333	-
Automobile driver training -				
Number of pupils trained	2,642		2,642	
Apportionment - see Note 5	$ 92,470	-	$ 92,470	
Total State Apportionments	$13,517,173	$9,872,199	$3,856,084	$788,890

Explanatory Notes -

1. Attendance and apportionment data applicable to evening schools and the continuation school is included in the column for high schools.

2. Average daily attendance for the previous year was the primary basis for apportionment in the current year. The average daily attendance listed in the schedule is that of the year ended June 30, 1958.

3. The increase in average daily attendance is based on attendance reports for periods ended in December and April of the fiscal year ended June 30, 1959.

4. An amended report has been filed to correct a clerical error in the reports for apportionment of excess expense of educating handicapped children in the fiscal years 1957-58. This will result in a reduction of the apportionment for the next fiscal year in the amount of $10,130.

5. The apportionment for automobile driver training is the lower of:

   (a) Actual cost, or
   (b) $35.00 for each pupil trained, but not to exceed the enrollment in Grades 10, 11 or 12, whichever is greater.

A comparison of the average daily attendance for the past three years follows:

	1958-59	1957-58	1956-57
Elementary Schools	64,623	62,828	60,140
High Schools	28,732	27,673	26,110
City College	6,244	6,194	5,910
Totals	99,599	96,695	92,160

We examined the reports submitted to the State Department of Education as a basis for the State Apportionment for the fiscal year 1959-60 and have tested the records in support thereof to satisfy ourselves that they fairly represented the average daily attendance during the fiscal year ended June 30, 1959. The average daily attendance during the fiscal year ended June 30, 1959 will be the basis for apportionment for the fiscal year ending June 30, 1960 as follows:

	Total	Elementary Schools	High Schools	College
Total average daily attendance	99,599	64,623	28,732	6,244
Handicapped Children -				
Physically handicapped	828	685	143	
Mentally retarded	1,323	786	537	
Severely mentally retarded	139	139		
Requiring special transportation	400	400		
Automobile driver training - Number of pupils trained	2,670		2,670	

CHILD CARE CENTERS

Twenty-Five Child Care Centers were operated during the fiscal year ended June 30, 1959 with a total enrollment of 1,240 children at June 30, 1959. The average daily attendance during the fiscal year ended June 30, 1959 was 1,346. The total hours of child attendance for the years ended June 30, 1959 and June 30, 1958 follows:

	Fiscal Years Ended June 30, 1959	June 30, 1958	Increase (Decrease)
Hours of Attendance:			
Nursery (under 5 years, 9 months)	1,161,809	1,127,547	34,262
School Age (over 5 years, 9 months)	1,114,714	1,062,339	52,375
Total Hours of Attendance	2,276,523	2,189,886	86,637

A comparative statement of Revenues and Expenditures of Child Care Centers for the fiscal years ended June 30, 1959 and June 30, 1958 follows:

REVENUES	Fiscal Years Ended June 30, 1959	June 30, 1958	Increase (Decrease)
State Apportionment	$ 579,667	$ 523,616	$ 56,051
Fees from Parents	354,061	335,998	18,063
District Taxes	213,137	247,357	(34,220)
Transfer from General Fund	87,500	-	87,500
Federal Grants	8,856	11,483	(2,627)
Miscellaneous	1,740	2,601	(861)
TOTAL REVENUES	$1,244,961	$1,121,055	$ 123,906
EXPENDITURES			
Administration	$ 74,133	$ 71,017	$ 3,116
Instruction	675,994	636,266	39,728
Auxiliary Services	19,193	17,977	1,216
Operation	147,341	142,013	5,328
Maintenance	19,067	17,133	1,934
Fixed Charges	104,446	12,599	91,847
Food	197,340	191,813	5,527
Capital Outlays	8,279	9,547	(1,268)
TOTAL EXPENDITURES	$1,245,793	$1,098,365	$ 147,428
EXCESS OF REVENUES OVER EXPENDITURES	$ (832)	$ 22,690	$ (23,522)

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund for the year ended June 30, 1959 were as follows:

Balance - County School Service Fund - July 1, 1958		$ 10,738
Add: Revenue:		
From State Apportionment	$117,131	
From San Francisco Unified School District	87,486	204,617
Total		215,355
Less: Expenditures:		
Office of County Superintendent of Schools	$ 9,500	
Screening and Directing Teachers	10,887	
Audio-Visual Education	174,871	
Library Service	7,000	
Special Administrative Expenses	4,727	
Teachers' Institute	2,902	209,887
Unexpended Balance - County School Service Fund - June 30, 1959		$ 5,468

CAFETERIAS

47 complete cafeteria units and 24 branch cafeteria units, which were serviced from the kitchens of complete units, were operated by the School District during the fiscal year ended June 30, 1959. A comparative statement of income and expenditures of the School Cafeterias for the fiscal years ended June 30, 1959 and June 30, 1958 follows:

	Fiscal Years ended June 30, 1959	June 30, 1958	Increase (Decrease)
Revenues:			
Sales - Cafeterias	$1,429,395	$1,362,539	$ 66,856
Sales - Mid-morning lunches	171,462	181,581	(10,119)
Contributions from the Department of Public Health of the City and County of San Francisco for mid-morning milk	6,200	5,600	600
Federal Grants:			
Current Year	277,195	256,368	20,827
Additional amounts applicable to prior years	7,438	923	6,515
Other adjustments to recorded income of prior years	-	548	(548)
Total Revenues	$1,891,690	$1,807,559	$ 84,131
Expenditures:			
Cost of Food	$1,170,865	$1,166,070	$ 4,795
Salaries	498,838	493,884	4,954
Meals for Student Help	29,103	35,641	(6,538)
Supplies and Expenses	60,928	65,020	(4,092)
Provision for Sick Leave and Vacations	78,083	72,628	5,455
Total Expenditures	$1,837,817	$1,833,243	$ 4,574
Excess of Revenues over Expenditures	$ 53,873	$ (25,684)	$ 79,557

FUND FOR THE ADVANCEMENT OF EDUCATION

The transactions in this Fund during the fiscal year ended June 30, 1959 are summarized as follows:

Cash on Deposit with the Treasurer - July 1, 1958			$105,402
Less: Outstanding Warrants		$5,072	
Amount due to San Francisco Unified School District		612	5,684
Cash Available at July 1, 1958			99,718
Less: Expenditures:			
Fellowship Payments - (Sustenance)		$50,216	
Consultants' Fees		8,508	
San Francisco State College:			
Student Fees	$ 2,888		
Supervisors' Salary and Expenses	17,965		
Clerical Costs	625	21,478	
Employees' Retirement Costs		2,350	
Technical Publications		35	
Miscellaneous		547	83,134
Balance Available - June 30, 1959			$16,584
Treasurer's Balance - June 30, 1959		$24,068	
Less: Outstanding Warrants		6,824	
Unexpended Balance - June 30, 1959 - per Exhibit "A"		17,244	
Less: Amount due San Francisco Unified School District - General Fund - June 30, 1959		660	
Balance - June 30, 1959			$16,584

The trust agreement under which this grant was accepted provides that on July 1, 1959, or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the recruitment and training of teachers shall be returned to the grantor.

ACADEMIC ATHLETIC ASSOCIATION

Receipts and Disbursements of this student body activity for the fiscal year ended June 30, 1959 were as follows:

Cash Available - July 1, 1958		$ 3,168
Add: Receipts:		
Admission Fees	$29,717	
Programs	1,643	31,360
		$34,528
Less: Expenses in connection with activities		
Football Expenses	$12,370	
Basketball Expenses	5,847	
Swimming Expenses	779	
Track Expenses	1,212	
Baseball Expenses	2,467	
Programs	1,509	
Miscellaneous Expenses	1,332	25,516
		$ 9,012
Less: Distributions to Schools		6,666
Balance June 30, 1959 In Trust		$ 2,346

STUDENT BODY FUNDS

The student body funds and the accounting records of the funds are maintained at the schools and are subject to internal audit at regular intervals by the School District's Administrative Office. We reviewed the audit program and working papers of audits made during the fiscal year and believe them to be adequate.

MIRANDA LUX FOUNDATION TRUST FUND

The transactions in this fund during the fiscal year ended June 30, 1959 are summarized as follows:

Cash on Deposit with Treasurer - July 1, 1958		$21,963	
Less: Outstanding Warrant	$ 14		
Amount due to San Francisco Unified School District	1,067	1,081	
Available Balance - June 30, 1958			$ 20,882
Add: Grant Receivable		$60,000	
Cash Received on Grant		30,000	90,000
			$110,882
Less: Expenditures:			
Supervisors' and Teachers' Salaries		$13,285	
Laboratory Assistants' Salaries		2,961	
Supplies and other Expenses		2,773	19,019
			$ 91,863
Less: Amount due San Francisco Unified School District - June 30, 1959			200
Balance - June 30, 1959			$ 91,663

The above balance consists of the following:

Cash on Deposit with the Treasurer	$ 31,863
Grant Receivable	60,000
	$ 91,863
Less: Amount due San Francisco Unified School District	200
	$ 91,663

The original fund of $75,000 was created on April 3, 1956 to establish a scientific laboratory in Polytechnic High School. The Grant was received by the School District in three equal annual installments of $25,000 commencing in 1956.

A second fund was established on February 6, 1959 which provides a Grant of $90,000 payable in annual installments of $30,000. The purpose is to establish and operate a bio-chemistry laboratory at the Galileo High School.

WILL C. STEINBRUNN BEQUEST

The transactions in this fund during the fiscal year ended June 30, 1959 are summarized as follows:

Cash on Deposit with Treasurer - July 1, 1958		$13,862
Add: Receipts:		
Interest received on U.S. Certificates of Indebtedness	$ 354	
Redemption of U.S. Certificate of Indebtedness	10,188	10,542
Total Available		$24,404
Less: Expenditures:		
Cost of $23,000 principal-3.375% U.S. Certificate of Indebtedness due November 15, 1959	$23,022	
Interest accrued thereon	4	23,026
Cash on Deposit with Treasurer - June 30, 1959		$ 1,378

This fund consisted of the following:

Cash on Deposit with Treasurer	$ 1,378
U.S. Certificate of Indebtedness	23,026
Accrued Interest	97
Balance - June 30, 1959	$24,501

This fund represents a bequest of Will C. Steinbrunn to the City and County of San Francisco for Educational Purposes.

NELL V. O'CONNELL TRUST FUND

A trust has been designated the Nell V. O'Connell Fund to be used for the organization and development of an athletic program for students of John A. O'Connell Vocation and Technical Institute. As of June 30,1959, proceeds were received on the principal as follows:

April 7, 1959	$ 1,586
June 4, 1959	593
Cash on Deposit with Treasurer - June 30, 1959	$ 2,179

As of June 30, 1959 this fund consisted of the following:

Cash on Deposit with Treasurer		$ 2,179
Assets held by the Crocker Anglo National Bank, as Trustee, under terms of the Trust Agreement:		
Cash in Bank	$ 493	
3187 Units Common Trust Fund-Series A	32,494	
2671 Units Common Trust Fund-Series B	32,505	65,492
Balance - June 30, 1959		$67,671

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET AS OF JUNE 30, 1959

ASSETS	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds**
Cash:					
On Deposit with Treasurer	$ 16,101,194	$ 7,826,402	$ 7,292,795	$487,980	$ 494,017
Cash Transfers Outstanding	1,399,066		900,000		499,066
Revolving Funds	5,500	3,000		2,500	
Other - Hume Foundation	161				161
Total Cash	$ 17,505,921	$ 7,829,402	$ 8,192,795	$490,480	$ 993,244
Accounts Receivable:					
Delinquent Taxes and Penalties	$ 855,240	$ 850,966		$ 4,274	
Less: Reserve for Unsecured Property Taxes	551,498	549,316		2,182	
	$ 303,742	$ 301,650		$ 2,092	
Other Accounts and Subventions (Contra)	513,529	464,156		49,373	
Accounts Receivable Net	$ 817,271	$ 765,806		$ 51,465	
Inter-Fund Accounts	$ 15,031	$ 1,574		$ 13,457	
Inventories and Deferred Charges:					
Stores - at cost	$ 747,206	$ 747,206			
Shop Inventory - at cost	34,506	34,506			
Cafeteria Inventory	54,782			$ 54,782	
Unexpired Insurance	9,610	9,610			
Other Supplies and Expenses	14,796	14,796			
Bond Interest Accrued	229,272			229,272	
Uncompleted Contracts and Purchase Orders (Contra)	6,478,804	1,001,907	$ 5,458,784	14,912	3,201
Total Inventories and Deferred Charges	$ 7,568,976	$ 1,808,025	$ 5,458,784	$298,966	$ 3,201
Other Assets	$ 148,615				$ 148,615
Fixed Capital Properties (see Notes 1 and 2)	$117,882,173		$117,882,173		
TOTAL ASSETS	$143,937,987	$10,404,807	$131,533,752	$854,368	$1,145,060

LIABILITIES AND SURPLUS	Total	Current Fund	Capital Funds	Special Funds *	Trust Funds**
Bond Interest Payable and Accrued (see Note 1)	$ 233,401			$233,401	
Accounts Payable and Commitments:					
Warrants and Payroll Deductions Outstanding	$ 3,438,083	$ 2,971,306	$ 296,109	$123,313	$ 47,355
Accounts Payable - Materials and Services	556,740	520,993		35,747	
Accounts Payable - Trust Funds	892,120				892,120
Uncompleted Contracts and Purchase Orders (Contra)	6,478,804	1,001,907	5,458,784	14,912	3,201
Total Accounts Payable and Commitments	$ 11,365,747	$ 4,494,206	$ 5,754,893	$173,972	$ 942,676
Inter-Agency Accounts:					
Department of Public Works	$ 226,322	$ 223,362		$ 2,960	
Employees' Retirement System	332,977	332,977			
Other Agencies	16,931	9,860		7,071	
Total Inter-Agency Accounts	$ 576,230	$ 566,199		$ 10,031	
Inter-Fund Accounts	$ 15,031	$ 13,457		$ 714	$ 860
Deferred Credits:					
Accounts Receivable (Contra)	$ 513,529	$ 464,156		$ 49,373	
Provision for Sick Leave and Vacations Earned	65,235			65,235	
Total Deferred Credits	$ 578,764	$ 464,156		$114,608	
Bonded Debt (see Note 1)	$ 45,016,000		$ 45,015,000	$ 1,000	
Surplus - per Exhibits "B" and "C" (see Note 3)	$ 86,152,814	$ 4,866,789	$ 80,763,859	$320,642	$ 201,524
TOTAL LIABILITIES AND SURPLUS	$143,937,987	$10,404,807	$131,533,752	$854,368	$1,145,060

* Details of the various funds are shown on Schedule "A-1"
** Details of the various funds are shown on Schedule "A-2"

The notes to the Financial Statements are an integral part of these statements.

Exhibit "B"

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF SURPLUS - CURRENT FUND
For the Fiscal Year ended June 30, 1959

Balance - July 1, 1958	$5,956,227
Less: Excess of Expenditures over Revenue for the fiscal year ended June 30, 1959	1,187,841
	$4,768,386
Add: Special Reserve for Equipment Purchases	98,403
Balance - June 30, 1959	$4,866,789

Exhibit "C"

STATEMENT OF SURPLUS - CAPITAL FUNDS
For the Fiscal Year ended June 30, 1959

Balance - July 1, 1958		$75,860,783
Add: Capital Expenditures from Non-Capital Funds, per San Francisco Unified School District records:		
Current Fund - per Schedule "D-2"	$1,020,846	
Child Care Centers	8,279	
Miscellaneous Trust Funds	5,521	
County School Service	4,710	1,039,356
Add: Contributions by Taxpayers to pay Bonded Debt matured during the fiscal year ended June 30, 1959		3,899,000
Proceeds from Sales of Property during the fiscal year ended June 30, 1959		125,534
Total		$80,924,673
Less: Cost, or assigned values, of Properties sold during the fiscal year ended June 30, 1959		160,814
Balance - June 30, 1959 - per Exhibit "A"		$80,763,859

The notes to the Financial Statements are an integral part of these statements.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

CURRENT FUND

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
For the fiscal years ended June 30, 1959 and June 30, 1958

	Fiscal Years ended June 30, 1959	Fiscal Years ended June 30, 1958	Increase (Decrease)
Revenues - per Schedule "D-1"	$43,490,197	$44,533,188	$(1,042,991)
Operating Expenditures:			
Administration	$ 1,118,809	$ 1,046,768	$ 72,041
Instruction	31,676,264	29,376,707	2,299,557
Auxiliary Service	401,897	395,284	6,613
Operations	3,542,863	3,425,783	117,080
Maintenance	1,815,777	1,863,234	(47,457)
Fixed Charges	3,611,125	3,718,475	(107,350)
Transportation of Pupils	258,852	321,351	(62,499)
Food Service	169,892	154,388	15,504
Community Services	308,551	296,043	12,508
Tuition Paid to Other Districts	182,773	57,902	124,871
Total Direct Expenditures	$43,086,803	$40,655,935	$ 2,430,868
Auxiliary (Indirect) Services contributed by Department of Public Health	$ 568,164	$ 503,383	$ 64,781
John A. Lenehan Scholarship Fund		452	(452)
San Francisco Foundation - Group Relations Project	2,225	2,148	77
Less: Total Operating Expenditures - (per Schedule "D-2")	$43,657,192	$41,161,918	$ 2,495,274
Balance	$ (166,995)	$ 3,371,270	$(3,538,265)
Net Capital Outlay from Current Funds (per Schedule "D-2")	1,020,846	1,476,602	455,756
Excess of Revenue over Expenditures - (per Exhibit "B")	$(1,187,841)	$ 1,894,668	$(3,082,509)

Note - Items in ( ) denote decreases.

Exhibit "E"

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

FUNDS BALANCE SHEET AS OF JUNE 30, 1959
(As Shown by the Accounts of the Controller)

A S S E T S

	Total	Cash Available	Accounts Receivable	Inter-Fund Accounts	Unsold Bonds	Other Assets
Current Funds	$5,921,423	$ 4,855,096	$1,064,753	$ 1,574		
Capital Funds:						
Real Property	$ 168,104	$ 168,104				
1948 School Bond	368,943	368,943				
1956 School Bond	23,734,639	7,359,639			$16,375,000	
Total Capital Funds	$24,271,686	$ 7,896,686			$16,375,000	
Other Funds:						
Withholding Tax	$ 390,410	$ 390,410				
Child Care Center	131,397	118,143	$ 6,766	$ 6,488		
Cafeteria	289,777	235,927	46,881	6,969		
Teachers' Annuity	2,644	2,644				
Teachers' Permanent Fund for Advancement of Education	38	38				
	17,244	17,244				
Nell V. O'Connell Trust Fund	67,671	2,179				$ 65,492
Miranda Lux Foundation	91,863	31,863				60,000
Anna Steinberg	876	876				
Will C. Steinbrunn	24,501	1,378				23,123
Veterans' Education	30	30				
County School Service	5,468	5,468				
Total Other Funds	$ 1,021,919	$ 806,200	$ 53,647	$13,457		$148,615
TOTAL ASSETS	$31,215,028	$13,557,982	$1,118,400	$15,031	$16,375,000	$148,615

LIABILITIES

	Total	Encumbrances	Inter-Agency Accounts	Inter-Fund Accounts	Reserve for Delinquent Taxes and Penalties	Appropriated but Unencumbered	Unappropriated	Trust and Agency Balances
Current Funds	$5,921,423	$1,343,714	$329,301	$13,457	$549,316	$431,084	$3,254,551	
Capital Funds:								
Real Property	$ 168,104					$ 22,728	$ 145,376	
1948 School Bond	368,943	$ 122,533	$ 982			200,518	44,910	
1956 School Bond	23,734,639	5,178,248	63,604			17,764,004	728,783	
Total Capital Funds	$24,271,686	$5,300,781	$ 64,586			$17,987,250	$ 919,069	
Other Funds:								
Withholding Tax	$ 390,410							$390,410
Child Care Center	131,397	$ 39,251	$ 7,502	$ 624	$ 2,182	$ 5,013	$ 76,825	
Cafeteria	289,777		6,969	90		5,013	277,705	
Teachers' Annuity	2,644							2,644
Teachers' Permanent Fund for Advancement of Education	38							38
	17,244	2,051		660				14,533
Miranda Lux Foundation	91,863	1,150		200				90,513
Nell O'Connell Trust Fund	67,671							67,671
Anna Steinberg	876							876
Will C. Steinbrunn	24,501							24,501
Veterans' Education	30							30
County School Service	5,468					1,008	4,460	
Total Other Funds	$ 1,021,919	$ 42,452	$ 14,471	$ 1,574	$ 2,182	$ 11,034	$ 358,990	$591,216
TOTAL LIABILITIES	$31,215,028	$6,686,947	$ 408,358	$15,031	$551,498	$18,429,368	$4,532,610	$591,216

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH
FUNDS BALANCE SHEET AS OF JUNE 30, 1959

	Total	Cash	Accounts Receivable	Inter-Fund Accounts	Unsold Bonds	Inventories and Deferred Charges	Other Assets	Fixed Capital Properties
Proprietary Balance Sheet (Exhibit "A")	$143,937,987	$17,505,921	$ 817,271	$15,031		$7,568,976	$148,615	$117,882,173
Add:								
Unsold 1956 School Bonds	$ 16,375,000				$16,375,000			
Reserve for Unsecured Property Taxes	551,498		$ 551,498					
Total Additions	$ 16,926,498		$ 551,498		$16,375,000			
Less:								
Fixed Capital Properties	$117,882,173							$117,882,173
Warrants and Payroll Deductions outstanding	3,438,083	$ 3,438,083						
Revolving Funds	5,500	5,500						
Hume Foundation Trust Fund	161	161						
Bond Interest and Redemption Funds	5,129	5,129						
Cash Transfers Outstanding	499,066	499,066						
Accounts Receivable - Tuition from other Counties and Districts unbilled	246,562		246,562					
Disputed Salary Payments of Prior Years recoverable at Termination of Employment	3,807		3,807					
Inventories and Deferred Charges	7,568,976					$7,568,976		
Total Deductions	$129,649,457	$ 3,947,939	$ 250,369	-	-	$7,568,976	-	$117,882,173
FUNDS BALANCE SHEET(Exhibit"E")	$ 31,215,028	$13,557,982	$1,118,400	$15,031	$16,375,000	-	$148,615	-

	Total	Bond Interest Payable and Accrued	Accounts Payable and Encumbrances	Inter-Agency Accounts	Inter-Fund Accounts	Deferred Credit	Bonded Debt	Balance of Funds
Proprietary Balance Sheet (Exhibit "A")	$143,937,987	$233,401	$11,365,747	$576,230	$15,031	$578,764	$45,016,000	$86,152,814
Add:								
Unsold 1956 School Bonds	$ 16,375,000							$16,375,000
Reserves for Unsecured Property Taxes	551,498					$551,498		
	$ 16,926,498					$551,498		$16,375,000
Less:								
Bonded Debt and Surplus Invested in Fixed Capital Property	$117,882,173						$45,015,000	$72,867,173
Warrants and Payroll Deductions outstanding	3,438,083		$ 3,438,083					
Accounts Payable Trust Funds			892,120					(892,120)
Revolving Fund	5,500							5,500
Bonds matured - unpaid	1,000						1,000	
Bond interest matured - unpaid	4,129	$ 4,129						
Bond interest accrued - not due		229,272						(229,272)
Hume foundation Trust Fund	161							161
Cash Transfers Outstanding	499,066							499,066
Accounts receivable deferred credits-								
Items not recorded in Controllers' records	250,369					$250,369		
Items credited to income by Controller						263,160		(263,160)
Other deferred credits not deferred by Controller						65,235		(65,235)
Inventories and deferred charges	7,568,976							7,568,976
Excess of Accounts Payable and Encumbrances shown by School District records over those obligations shown by the Controller's records			348,597	167,872				(516,469)
Total Deductions	$129,649,457	$233,401	$ 4,678,800	$167,872	-	$578,764	$45,016,000	$78,974,620
FUNDS BALANCE SHEET (Exhibit "E")	$ 31,215,028	-	$ 6,686,947	$408,358	$15,031	$551,498	-	$23,553,194

Unencumbered Appropriations	$18,429,368
Unappropriated Balances	4,532,610
Trust Funds	591,216
	$23,553,194

Schedule "A-1"

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

PROPRIETARY BALANCE SHEET OF THE
SPECIAL FUNDS AS OF JUNE 30, 1959

A S S E T S	Totals	Child Care Centers	School Cafeterias	County School Service	Bond Interest and Redemption - Note 1 1923	1948	1956
Cash:							
On Deposit with Treasurer	$487,980	$193,539	$283,844	$5,468	$ 1,950	$ 1,767	$ 1,412
Revolving Funds	2,500		2,500				
Total Cash	$490,480	$193,539	$286,344	$5,468	$ 1,950	$ 1,767	$ 1,412
Accounts Receivable:							
Delinquent Taxes and Penalties	$ 4,274	$ 4,274					
Less: Reserve for Unsecured Property Taxes	2,182	2,182					
	$ 2,092	$ 2,092					
Inter-Fund Accounts	13,457	6,488	$ 6,969				
Other Accounts and Subventions (Contra)	49,373	2,492	46,881				
Accounts Receivable Net	$ 64,922	$ 11,072	$ 53,850				
Deferred Charges:							
Cafeteria Inventory	$ 54,782		$ 54,782				
Bond Interest Accrued	229,272				$40,000	$132,787	$56,485
Uncompleted Contracts and Purchase Orders (Contra)	14,912	$ 14,912					
Total Deferred Charges	$298,966	$ 14,912	$ 54,782		$40,000	$132,787	$56,485
TOTAL ASSETS	$854,368	$219,523	$394,976	$5,468	$41,950	$134,554	$57,897

	Totals	Child Care Centers	School Cafeterias	County School Service	1923	1948	1956
LIABILITIES AND SURPLUS							
Bond Interest Payable and Accrued	$233,401				$40,950	$134,554	$57,897
Accounts Payable and Commitments:							
Warrants and Payroll Deductions Outstanding	$123,313	$ 75,396	$ 47,917				
Accounts Payable - Materials and Services	35,747	35,747					
Uncompleted Contracts and Purchase Orders (Contra)	14,912	14,912					
Total Accounts Payable and Commitments	$173,972	$126,055	$ 47,917				
Inter-Agency Accounts:							
Department of Public Works	$ 2,960	$ 2,960					
Other Agencies	7,071	102	$ 6,969				
Total Inter-Agency Accounts	$ 10,031	$ 3,062	$ 6,969				
San Francisco Unified School District - Current Fund	$ 714	$ 624	$ 90				
Deferred Credits:							
Accounts Receivable (Contra)	$ 49,373	$ 2,492	$ 46,881				
Provision for Sick Leave and Vacations Earned	65,235		65,235				
	$114,608	$ 2,492	$112,116				
Bonded Debt	$ 1,000				$ 1,000		
Surplus	$320,642	$ 87,290	$227,884	$5,468			
TOTAL LIABILITIES AND SURPLUS	$854,368	$219,523	$394,976	$5,468	$41,950	$134,554	$57,897

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

PROPRIETARY BALANCE SHEETS OF THE
TRUST FUNDS AS OF JUNE 30, 1959

FUND	Cash with Treasurer	Other Cash Items In Transit	Uncompleted Contracts	Other Assets	Total Assets	Warrants Payable	Accounts Payable	Commitments	Inter-Fund Payable	Total Liabilities	Unexpended Balances
Withholding Tax	$390,410	$463,687			$ 854,097		$854,097			$854,097	
Teachers' Annuity	23,746	16,255			40,001	$ 21,102	18,899			40,001	
Teachers' Retirement	19,462	19,124			38,586	19,424	19,124			38,548	38
Fund for the Advancement of Education	24,068		$2,051		26,119	6,824		$2,051	$ 660	9,535	16,584
Miranda Lux Foundation	31,863		1,150	$ 60,000 (1)	93,013			1,150	200	1,350	91,663
Anna Steinberg Trust	876				876						876
Will C. Steinbrunn Bequest	1,378			23,123 (2)	24,501						24,501
Veterans' Education	35				35	5				5	30
Hume Foundation		161			161						161
Nell V. O'Connell	2,179			65,492 (3)	67,671						67,671
TOTALS	$494,017	$499,227	$3,201	$148,615	$ 1,145,060	$ 47,355	$892,120	$3,201	$ 860	$943,536	$201,524

(1) Trust Grant Receivable
(2) United States Certificates of Indebtedness
(3) Consists of Assets held in Trust by the Crocker Anglo National Bank (See Comments)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMPARATIVE STATEMENT OF CURRENT FUND REVENUES
For the fiscal years ended June 30, 1959 and June 30, 1958

	Fiscal Years ended June 30, 1959	Fiscal Years ended June 30, 1958	Increase (Decrease)
Property Taxes and Penalties	$25,760,203	$27,506,041	$(1,745,838)
Apportionments from State of California:			
Elementary Schools	$ 9,050,532	$ 8,641,989	$ 408,543
High Schools and City College	4,466,641	4,435,047	31,594
Retirement Subventions	1,901,923	1,941,621	(39,698)
Total Apportionments	$15,419,096	$15,018,657	$ 400,439
Other Revenue:			
San Francisco Housing Authority - in lieu of taxes	$ 52,158	$ 47,003	$ 5,155
Federal and State vocational education subvention	63,874	62,331	1,543
Reimbursement for veterans' vocational training	41,710	60,542	(18,832)
Tuition from other counties and districts	134,966	147,483	(12,517)
Rentals	355,196	355,342	(146)
Public Law 874 and other Federal Aid	812,274	354,230	458,044
Federal Construction Grant	125,054	375,159	(250,105)
Miscellaneous	179,946	100,017	79,929
Total Other Revenue	$ 1,765,178	$ 1,502,107	$ 263,071
Total Direct Revenues	$ 42,944,477	$44,026,805	$(1,082,328)
San Francisco Foundation - Group Relations Project	$ 3,000	$ 3,000	
Auxiliary (Indirect) Revenue - Services of Physicians, Dentists and Nurses of the Department of Public Health	542,720	503,383	$ 39,337
TOTAL REVENUES per Exhibit "D"	$ 43,490,197	$44,533,188	$(1,042,991)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMPARATIVE STATEMENT OF CURRENT FUND EXPENDITURES
For the fiscal years ended June 30, 1959 and June 30, 1958

	Fiscal Years ended June 30, 1959	Fiscal Years ended June 30, 1958	Increase (Decrease)
Administration:			
Salaries	$ 927,090	$ 874,305	$ 52,785
Supplies	59,765	63,375	(3,610)
Traveling Expenses	12,384	14,014	(1,630)
Other Expenses	119,570	95,074	24,496
Totals	$ 1,118,809	$ 1,046,768	$ 72,041
Instruction - Salaries:			
Supervision	$ 542,620	$ 527,359	$ 15,261
Elementary Schools	13,155,228	12,251,727	903,501
Special Schools	692,365	661,710	30,655
Junior High Schools	6,127,332	5,610,287	517,045
Senior High Schools	5,561,145	5,105,704	455,441
Adult Schools	1,063,808	990,865	72,943
Trade and Industrial Schools	486,009	478,148	7,861
Continuation School	209,849	199,934	9,915
City College	2,469,611	2,308,116	161,495
Totals	$30,307,967	$28,133,850	$ 2,174,117
Instruction - Supplies and Other Expenses:			
Educational Supplies	$ 763,455	$ 707,926	$ 55,529
Books	328,811	302,977	25,834
Traveling Expenses	24,808	26,417	(1,609)
Other Expenses	251,223	205,537	45,686
Totals	$ 1,368,297	$ 1,242,857	$ 125,440
Auxiliary Services:			
Compulsory Education	$ 217,755	$ 206,275	$ 11,480
Guidance Service Centers	129,641	121,784	7,857
Student Placement Service	27,930	26,892	1,038
Nurse Service	-	17,000	(17,000)
Health Classes and Other Expenses	26,571	23,333	3,238
Totals	$ 401,897	$ 395,284	$ 6,613
Totals Forward	$33,196,970	$30,818,759	$ 2,378,211

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMPARATIVE STATEMENT OF CURRENT FUND EXPENDITURES
For the fiscal years ended June 30, 1959 and June 30, 1958

	Fiscal Years ended June 30, 1959	Fiscal Years ended June 30, 1958	Increase (Decrease)
Totals Forward	$33,196,970	$30,818,759	$ 2,378,211
Operation:			
Janitors, Engineers and Gardeners -			
Salaries	$ 2,540,392	$ 2,425,729	$ 114,663
Supplies	128,451	133,093	(4,642)
Gas and Electricity	418,102	408,323	9,779
Fuel	31,774	51,803	(20,029)
Water	67,291	62,909	4,382
Other Expenses	356,853	343,926	12,927
Totals	$ 3,542,863	$ 3,425,783	$ 117,080
Maintenance:			
Repairs -			
Buildings and Grounds	$ 1,450,793	$ 1,507,606	$ (56,813)
Janitors' Equipment	7,713	7,533	180
Educational Equipment	318,288	311,188	7,100
Other Expenses	38,983	36,907	2,076
Totals	$ 1,815,777	$ 1,863,234	$ (47,457)
Fixed Charges:			
Rents	$ 9,540	$ 8,376	$ 1,164
Insurance	36,905	33,607	3,298
Compensation and Accident Claims	59,808	47,273	12,535
Contributions to Retirement Systems -			
City	2,499,270	2,784,084	(284,814)
State	919,316	847,601	71,715
Health Service Contributions	87,863	-	87,863
Other Expenses	(1,577)	(2,466)	889
Totals	$ 3,611,125	$ 3,718,475	$ (107,350)
Transportation of Pupils	$ 258,852	$ 321,351	$ (62,499)
Food Service:			
Cafeteria Supervision	$ 81,090	$ 75,494	$ 5,596
Cafeteria Maintenance	44,371	34,312	10,059
Free Meals	25,066	26,946	(1,880)
Other Expenses	19,365	17,636	1,729
Totals	$ 169,892	$ 154,388	$ 15,504
Totals Forward	$42,595,479	$40,301,990	$ 2,293,439

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMPARATIVE STATEMENT OF CURRENT FUND EXPENDITURES
For the fiscal years ended June 30, 1959 and June 30, 1958

	Fiscal Years ended June 30, 1959	June 30, 1958	Increase (Decrease)
Totals Forward	$42,595,479	$40,301,990	$ 2,293,489
Community Services:			
Recreation Program	$ 203,538	$ 195,547	$ 7,991
Veterans' Counseling	37,666	37,909	(243)
Civic Center Activities	67,347	62,587	4,760
Totals	$ 308,551	$ 296,043	$ 12,508
Tuition Paid to Other Districts	$ 182,773	$ 57,902	$ 124,871
Total Direct Expenditures	$43,086,803	$40,655,935	$ 2,430,868
Auxiliary (Indirect) Services contributed by Department of Public Health:			
Medical Inspection	$ 57,644	$ 40,121	$ 17,523
Dental Inspection	67,706	63,647	4,059
Nurse Services	442,814	399,615	43,199
Totals	$ 568,164	$ 503,383	$ 64,781
John A. Lenehan Scholarship Fund	-	$ 452	$ (452)
San Francisco Foundation - Group Relations Project	$ 2,225	$ 2,148	$ 77
TOTAL OPERATING EXPENDITURES - (per Exhibit "D")	$43,657,192	$41,161,918	$ 2,495,274
Capital Outlays from Current Fund:			
Land	$ 189,983	$ 5,850	$ 184,133
Buildings and Improvements	481,246	1,417,131	(935,885)
Equipment	475,151	470,662	4,489
Totals	$ 1,146,380	$ 1,893,643	$ (747,263)
Less: Sales of Land and Buildings	125,534	417,041	(291,507)
NET CAPITAL OUTLAY FROM CURRENT FUND (per Exhibit "D")	$ 1,020,846	$ 1,476,602	$ (455,756)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS - June 30, 1959

1. Fixed capital properties, bonded debt and bond interest, payable and accrued, are not recorded in the ledger of the San Francisco Unified School District, but have been added in this report.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the San Francisco Unified School District. They are shown in the Proprietary Balance Sheet, Exhibit "A", because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent the value of properties and equipment presently owned by the San Francisco Unified School District, as the amounts shown include certain properties at cost and certain properties at appraised value when acquired.

2. During the fiscal year ended June 30, 1959, a fire loss was incurred to the Jefferson Elementary School. As of the date of this report, the sum of $338,097, of which $30,483 is for personal property, has been offered by the insurance companies in settlement of all claims. Mr. Irving G. Breyer, Legal Adviser for the San Francisco Unified School District, is still exploring the legal aspects and negotiating the final settlement. As such, this matter will be clarified in the succeeding fiscal year, and the appropriate adjustments will be made for the fixed asset and related accounts.

3. Surplus of the Current Fund at June 30, 1959 consists of the following:

Appropriation to be carried forward into next fiscal year:		
Expenditures committed		$1,851,775
Unappropriated:		
Available for Capital Outlay:		
Balance - July 1, 1958	$538,778	
Add: Sale of Land	125,534	
	$664,312	
Less: Purchase of Land	180,000	
Balance - June 30, 1959		484,312
Special Reserve for Equipment Purchases		98,403
Available for General Purposes		2,432,299
Balance - June 30, 1959		$4,866,789

4. At June 30, 1959 the contingent liability for personal injury claims was estimated by the legal adviser to the Board of Education to be not in excess of $100,000.

At June 30, 1959 the contingent liability for workmen's compensation claims pending was estimated by the Retirement Board of the City and County of San Francisco to be approximately $108,530.

5. Revenue, other than from secured taxes, is recorded only when monies are received by, or for the credit of, the School District. This practice is consistent with that of the preceding fiscal years.

Treasurer's Office

REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1959

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

September 29, 1959

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Examination of Accounts
Fiscal Year Ended June 30, 1959

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the Treasurer's financial statements and records. Mr. David F. Supple, Grand Jury Statistician, participated.

Our examination was made in accordance with generally accepted auditing standards and procedures and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying report with schedules attached presents fairly the financial position of the Treasurer at June 30, 1959, and the results of its operation for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

GENERAL AUDIT DIVISION

M. Steinbeck

MARTIN STEINBECK
SUPERVISING ACCOUNTANT

APPROVED:

Harry D. Ross

HARRY D. ROSS
CONTROLLER

REPORT ON EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1959, amounted to $553,401,853.42 compared with June 30, 1958 total of $543,222,753.49.

Cash and Securities	June 30, 1959	June 30, 1958
Cash and cash items	$137,832,024.92	$144,741,031.49
Securities (Par Value)	415,569,828.50	398,481,722.00
Total (Exhibit "A")	$553,401,853.42	$543,222,753.49

CASH AND CASH ITEMS $137,832,024.92

Cash and Cash items (Exhibit "A"), are summarized as follows:

Cash and Cash Items	June 30, 1959	June 30, 1958
Cash and cash items on hand	$ 2,959,637.44	$ 2,019,590.87
Cash in banks	133,861,811.48	142,064,879.84
United States Bonds (Par Value)	80,350.00	96,550.00
Total	$ 136,901,798.92	$ 144,181,020.71
Cash items received after June 30, 1959 and applied to the fiscal year 1958-1959	930,226.00	560,010.78
Total	$ 137,832,024.92	$ 144,741,031.49

The above $137,832,024.92 was reconciled with the Controller's available cash of $121,639,278.63; the difference of $16,192,746.29 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

Outstanding Items	General City	Public Service Enterprises	Total
Warrants outstanding	$12,703,536.22	$3,378,207.57	$ 16,081,743.79
Matured and unpaid bonds	1,000.00	30,200.00	31,200.00
Matured and unpaid coupons	23,862.50	55,940.00	79,802.50
Total	$12,728,398.72	$3,464,347.57	$ 16,192,746.29

CASH AND CASH ITEMS ON HAND

The sum of $2,959,637.44 consists of:

Item	Amount	Comment
Coin and Currency	$ 811,115.82	Verified by count.
Due from Clearing House	20.00	Adjusted July 1, 1959.
Checks on hand for deposit	2,148,501.62	All current; deposited in Bank July 1, 1959.
Total	$2,959,637.44	

CASH IN BANKS $133,861,811.48

Cash in banks was confirmed by direct correspondence with the banks and is summarized as follows:

	AMOUNT ON DEPOSIT			
	INACTIVE	ACTIVE	TOTAL	PERCENT
American Trust Company	$ 8,000,000.00	$ 3,215,780.29	$ 11,215,780.29	8.38
Bank of America	37,550,000.00	18,907,134.22	56,457,134.22	42.18
Bank of California	4,250,000.00	3,501,678.89	7,751,678.89	5.79
Bank of Canton	500,000.00	500,000.00	1,000,000.00	.75
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	.75
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.37
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	.97
Crocker-Anglo National Bank	14,972,000.00	5,233,244.97	20,205,244.97	15.10
First Western Bank	6,500,000.00	4,203,272.32	10,703,272.32	8.00
Hibernia Bank	250,000.00	250,000.00	500,000.00	.37
Hongkong and Shanghai Bank	250,000.00	250,000.00	500,000.00	.37
Pacific National Bank	2,750,000.00	1,000,000.00	3,750,000.00	2.80
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.37
Wells Fargo Bank	10,700,000.00	7,778,700.79	18,478,700.79	13.80
	$ 87,372,000.00	$ 46,489,811.48	$ 133,861,811.48	100.00
Percentage of Total	65.27%	34.73%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 53643:

> "The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depositary. The term shall not exceed one year."

Supervisor's Resolution No. 3469, adopted August 16, 1937, authorized the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

The amounts on deposit in banks June 30, 1959, (Exhibit "A-1") are within the limitations specified in Government Code Section 53638:

> "The deposit shall not exceed the total of the paid-up capital and surplus of any depositary."

Interest totaling $1,657,945.63 was earned on inactive deposit balances during the fiscal year.

UNITED STATES BONDS (PAR VALUE) $60,350.00

United States Bonds representing Superior and Municipal Court bail deposits, include $14,450.00 for which court orders for release or forfeitures were issued.

CASH RECEIVED AFTER JUNE 30, 1959 $930,226.00

This item represents 1958-1959 collections which were deposited with the Treasurer in July 1959.

Date Deposited	Amount
July 1, 1959	$705,282.37
July 2, 1959	81,364.26
July 3, 1959	39,844.14
July 6, 1959	103,735.13
Total	$930,226.00

SECURITIES (PAR VALUE) $415,569,828.50

Securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault, as provided by Charter Section 83.

SECURITIES CHARGED TO THE TREASURER	PAR VALUE	CONTROLLER'S BOOK VALUE
BONDS		
Employees' Retirement Fund	$229,826,595.00	$ 228,031,430.97
Bequest Funds	410,500.00	412,703.35
Trust Funds	15,000.00	15,500.00
Deposits on Leases	113,000.00	113,000.00
Miscellaneous	1,475.00	1,475.00
	$230,366,570.00	$ 228,574,104.32
MISCELLANEOUS		
Corporate Stock (Bequest Funds)	$ 258.50	$ 2,094.35
Certified Checks (Deposits)	18,000.00	18,000.00
	$ 18,258.50	$ 20,094.35

SECURITIES NOT CHARGED TO THE TREASURER		MARKET VALUE
Collateral Securities	$185,185,000.00	$172,693,724.93
Total June 30, 1959	$415,569,828.50	$401,288,013.50

BONDS (PAR VALUE) EMPLOYEES' RETIREMENT FUND $229,826,595.00

Verification and physical count of bonds was made in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, in connection with audit of the Employees' Retirement System.

Pursuant to Controller's instructions, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1958-1959 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board.

Transactions during the year under review are summarized as follows:

Balance June 30, 1958	$210,148,500.00
Purchased	23,836,095.00
Total	$233,984,595.00
Sold, called or matured	4,158,000.00
Balance June 30, 1959	$229,826,595.00

BONDS (PAR VALUE) BEQUEST AND TRUST FUNDS $425,500.00 (EXHIBIT "A-2")

Bonds in the above amount and unmatured interest coupons attached were examined and verified with the Controller's records; detail of bonds examined is contained in audit working papers.

Interest collections on Bequest and Trust Funds are audited currently by the Controller's Division of Accounts and Reports.

BONDS (PAR VALUE) DEPOSIT ON LEASES $113,000.00 (EXHIBIT "A-2")

These bonds represent security on various leases of City and County property.

BONDS (PAR VALUE) MISCELLANEOUS $1,475.00 (EXHIBIT "A-2")

The above represents deposits by various City and County departments for safekeeping.

CORPORATE STOCK $258.50 (EXHIBIT "A-2")

Represents par value of stocks belonging to bequest funds.

CERTIFIED CHECKS $18,000.00 (EXHIBIT "A-2")

Represents three checks deposited with the Treasurer as security for faithful performance of contractual obligations.

COLLATERAL SECURITIES (PAR VALUE BONDS) $185,185,000.00 (EXHIBIT "A-1")

The securities consist of Federal, State, or other Government Bonds of a type required by Government Code Section 53651 and were approved by the Treasurer and City Attorney in accordance with Government Code Section 53655.

Government Code Section 53657 provides:

> "The market value of securities securing active or inactive deposits shall be at least 10 per cent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities."

The individual bank balances are detailed in Exhibit A-1. Balances at June 30, 1959 were less than face value of collateral deposited, the market value of said collateral exceeded the amount of deposit by at least 10%.

AUTHORIZED CITY AND COUNTY BONDS - UNSOLD (UNISSUED) $64,275,000

Unsold (Unissued) City and County Bonds at June 30, 1959 represent the remainder of issues authorized by the electorate, as follows:

	Total Authorized	Sold Prior to 1958-1959	Sold During 1958-1959	Unsold June 30, 1959
Authorized Nov. 4, 1947				
1947 Street Improvement	$ 22,850,000	$21,450,000	$ 1,400,000	$ -0-
Authorized Nov. 4, 1952				
1952 Fire House	4,750,000	4,200,000		550,000
Authorized June 8, 1954				
1954 Sewer	12,645,000	7,000,000	2,600,000	3,045,000
Authorized Nov. 2, 1954				
1954 S. F. Hospital	5,830,000	3,000,000	2,375,000	455,000
Authorized Nov. 8, 1955				
1955 Playground and Recreation Center	7,000,000	3,000,000	600,000	3,400,000
1955 Hetch Hetchy Power	54,000,000	27,000,000	4,000,000	23,000,000
Authorized June 5, 1956				
1956 Hall of Justice	19,475,000	2,975,000	15,425,000	1,075,000
Authorized Nov. 6, 1956				
1956 Schools	27,000,000	6,000,000	4,625,000	16,375,000
1956 S.F. International Airport	25,000,000	10,200,000		14,800,000
Authorized June 3, 1958				
1958 Recreation and Park	1,575,000			1,575,000
Total	$180,125,000	$84,825,000	$31,025,000	$64,275,000

Included in the amount of $31,025,000 are bond issues in amount of $4,600,000 approved for sale on May 25, 1959. Proceeds of this sale were deposited in the Treasury on July 23, 1959.

There were no printed unsold bonds on hand. It is the practice of the Treasurer to order the printing of bonds when a sale has been made by the Board of Supervisors.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designates the First National City Bank of New York as the fiscal agent of the City and County of San Francisco for the purpose of providing payment in the City of New York of principal and interest due on bonds issued by the City and County of San Francisco, and provides the rates of compensation for said fiscal agent.

Transactions reported by said agent and compensations earned during the year ended June 30, 1959, follows:

	Par Value Paid and Cancelled	Compensation Authorized Rate	Compensation Earned 1958-1959
Bonds	$11,090,000.00	1/20th of 1%	$ 5,545.00
Coupons (268,001)	3,795,511.25	$ .04 each	10,720.04
Total	$14,885,511.25		$16,265.04 (1)

(1) Includes $5,179.00 for last quarter of 1958-1959 which was paid in 1959-1960.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the Payroll Allotment Plan was authorized by the Board of Supervisors' Resolutions No. 2666 and 3786, adopted June 2, 1942 and January 17, 1944, respectively.

The issue value of bonds purchased during the fiscal year for the City and County employees was $763,425.00 as compared with $732,506.25 for the prior fiscal year.

REVENUE AND EXPENDITURES (EXHIBIT "B")

Revenues exceeded expenditures and encumbrances by $1,567,422.43. A comparison with the previous fiscal year follows:

Revenues	1958-1959	1957-1958
Interest earned on inactive bank deposits	$1,657,945.63	$1,165,020.73
Commissions received on Inheritance Tax Collections	50,000.00	52,219.18
Other Fees	515.00	103.50
Conscience Money	303.00	40.00
Total	$1,708,763.63	$1,217,383.41
Expenditures and Encumbrances		
Per Controller's Records	141,341.20	140,183.72
Net Revenue	$1,567,422.43	$1,077,199.69

A five year comparative statement of revenues, expenditures, and encumbrances is reflected on Exhibit B.

INTEREST ON INACTIVE BANK DEPOSITS $1,657,945.63

In accordance with Government Code Sections 53645 and 53649, interest is computed at rates specified in depositary agreements on average daily balances. Such interest was received quarterly and distributed as follows:

	1958-1959 Budget Estimate	Interest Earned 1958-1959	Interest Earned 1957-1958
General, Special Gas Tax and Special Road Improvement Funds	$915,000.00	$1,487,269.76	$1,018,918.91
Municipal Railway	25,000.00	18,932.38	24,180.58
	$940,000.00	$1,506,202.14	$1,043,099.49
Water Operating	18,700.00	79,592.49	55,469.18
Redevelopment Agency		64,890.38	56,506.87
Bay Area Rapid Transit		764.73	
Walter S. Johnson Gift Fund		98.63	
State County Fair Fund		6,397.26	9,945.19
Total	$958,700.00	$1,657,945.63	$1,165,020.73

The $18,932.38 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of $1,506,202.14 on the basis of the Treasurer's daily balances in that fund.

The credit to the Water Operating Fund, the Redevelopment Agency Fund, the Bay Area Rapid Transit Fund, the Walter S. Johnson Gift Fund and the State County Fair Fund was earned on inactive bank deposits used exclusively for those funds.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS $50,000.00

Inheritance Tax Commissions and Settlements with the State for the twelve months ending May 31, 1959, are summarized as follows:

Inheritance Tax Collections		$5,459,110.51
Less: Disbursements:		
Appraisers' Fees	$ 12,958.61	
Payments to State	5,247,650.57	
Refunds	148,501.33	5,409,110.51
Commissions Earned, Fiscal Year 1958-1959		$ 50,000.00

Accounts maintained for Inheritance Tax purposes are recorded on State controlled pre-numbered forms, subject to settlement with the State every two months, and to an audit by the State Controller's Office. Such audit was not duplicated in this assignment.

Pursuant to Section 14797 of the Revenue and Taxation Code, as amended by Statutes of 1957, the maximum commissions a Treasurer of a county of the second class may retain is $50,000.00 for a calendar year.

OTHER FEES $515.00

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "listing contents of a Safe Deposit Box" is collected in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code.

CONSCIENCE MONEY $303.00

This represents various remittances received from unidentified sources and classified as "Conscience Money."

EXPENDITURES AND ENCUMBRANCES $141,341.20

Expenditures and Encumbrances, compared with budget appropriations for 1958-1959 are as follows:

By Treasurer	Appropriations as Modified	Expenditures and Encumbrances
Permanent Salaries	$122,276.78	$121,015.82
Allowance for Overtime	200.00	135.79
Contractual Services	20,887.00	17,313.22
Use of Employees' Cars	412.00	411.79
Material and Supplies	1,524.00	1,293.33
By Purchaser		
Telephone and Telegrams	200.00	-0-
City Directory	78.00	78.00
Stationery withdrawn from stores	75.00	64.79
Equipment	40.00	32.31
Reproduction Bureau	1,000.00	996.15
Total	$146,692.78	$141,341.20

Expenditures and encumbrances are currently audited by the Controller's General Office. Such audit was not duplicated in this assignment.

CASH DIFFERENCE FUND

Ordinance No. 68-58, approved February 14, 1958 created a Cash Difference Fund and an Overage Fund in connection with certain offices and departments of the City and County and prescribed the method for the administration of the funds. Ordinance No. 69-58, approved February 14, 1958 appropriated the sum of $500.00 and established the funds in the custody of the Treasurer.

As at June 30, 1959, the Treasurer's records disclosed disbursements totaling $197.26 from the Cash Difference Fund. Additions to the Overage Fund was the sum of $3.01. The balance in the fund - $305.75 - was verified by actual count.

SURETY BOND - TREASURER

In accordance with Charter Section 31, John J. Goodwin, Treasurer of the City and County of San Francisco, is bonded for $200,000 by St. Paul Fire and Marine Insurance Company's Bond No. 404 CBO 676, in favor of the City and County of San Francisco and / or State of California, for a period of one year commencing January 8, 1959. The bond is in the custody of the Controller as provided by Charter Section No. 67.

SURETY BOND OF EMPLOYEES

Pursuant to Ordinance No. 8075, Blanket Bond No. 404 CBO 802, Saint Paul Fire and Marine Insurance Company, expiring April 10, 1960 covers all employees of the City and County of San Francisco, under Section 6 for Fidelity and under Section 7 up to $50,000.00 for any one employee or the sum of $50,000.00 for any one loss. The bond is on file with the Controller.

In addition Section 14.4 of Ordinance No. 8075 specifies that the following employments in the Treasurer's Office be bonded for faithful performance:

2 Cashiers
4 Senior Tellers
3 Tellers
1 Senior Accountant
1 Accountant
1 Head Clerk
3 General Clerks

Positions in the Treasurer's Office as authorized by the Annual Salary Ordinance for the fiscal year 1958-1959 are as follows:

2 Cashiers
3 Senior Tellers
3 Tellers
1 Senior Accountant
1 Accountant
1 Head Clerk
4 General Clerks
1 General Clerk-Stenographer
1 Supervisor, Inheritance Tax Division
1 Senior Inheritance Tax Examiner

It is recommended that Section 14.4 of Ordinance No. 8075 be amended to conform to classifications established by the Annual Salary Ordinance.

FORGERY INSURANCE

Forgery Insurance up to $100,000.00 is provided by Fidelity and Deposit Company of Maryland, Policy No. 26 64 241 B for a period of three years commencing May 15, 1957. This policy is on file with the Controller.

OTHER INSURANCE

The Treasurer's Office carries no burglary or robbery insurance either as to inside or outside risks. The banks provide their own messenger service for all transactions in the Treasurer's Office. All checks for deposit are microfilmed for identification before being delivered to the bank messenger.

SUMMARY OF CASH AND SECURITIES

	June 30th 1959	June 30th 1958
CASH AND CASH ITEMS		
CASH AND CASH ITEMS ON HAND		
Coin and Currency	$ 811,115.82	$ 808,571.64
Checks on Hand for Deposit	2,148,521.62	1,211,019.23
	$ 2,959,637.44	$ 2,019,590.87
CASH IN BANKS		
Active Accounts	$ 46,489,811.48	$ 62,489,879.84
Inactive Accounts	87,372,000.00	79,575,000.00
	$ 133,861,811.48	$ 142,064,879.84
UNITED STATES BONDS (PAR VALUE)	$ 80,350.00	$ 96,550.00
CASH RECEIVED AFTER JUNE 30, 1959 AND APPLIED TO FISCAL YEAR 1958-1959	$ 930,226.00	$ 560,010.78
Total (Exhibit "C" and "D")	$ 137,832,024.92	$ 144,741,031.49
SECURITIES		
BONDS (PAR VALUE)		
Collateral from Banks (Exhibit "A-1")	$ 185,185,000.00	$ 187,787,000.00
Employees' Retirement Fund	229,826,595.00	210,148,500.00
Bequest Funds	410,500.00	402,500.00
Trust Funds	15,000.00	15,000.00
Deposit on Leases	113,000.00	109,000.00
Miscellaneous Deposits	1,475.00	1,475.00
	$ 415,551,570.00	$ 398,463,475.00
OTHER		
Bequest Funds (Corporate Stock)	$ 258.50	$ 247.00
Contract Deposits (Certified Checks)	18,000.00	18,000.00
	$ 18,258.50	$ 18,247.00
Total	$ 415,569,828.50	$ 398,481,722.00
Total Cash and Securities	$ 553,401,853.42	$ 543,222,753.49

BEQUESTS, TRUST FUNDS AND MISCELLANEOUS ASSETS
IN JOINT CUSTODY VAULT JUNE 30, 1959

BEQUEST FUNDS	BONDS PAR VALUE	FACE VALUE CORPORATE STOCK	CONTROLLER'S BOOK VALUE
Brunetti	$	$ 40.50	$ 94.25
Fuhrman	116,500.00		116,750.00
Herzstein	8,000.00		8,379.01
Lewis		218.00	2,000.00
Marx	2,000.00		2,072.86
Mc Lean	5,000.00		5,000.00
Olsen	1,000.00		978.75
Robinson	40,000.00		40,237.50
Steinbrunn	23,000.00		23,025.85
Strybing	200,000.00		201,250.00
Windel	15,000.00		15,069.38
Total	$410,000.00	$ 258.50	$414,797.60
TRUST FUNDS			
Panama Pacific Exposition	$ 15,000.00		$ 15,585.00
Total Bequests and Trust Funds	$425,500.00	$ 258.50	$430,382.60
DEPOSIT ON LEASES			
S.F. Holding Company	$100,000.00		$100,000.00
Studinger and Ward	1,000.00		1,000.00
Lurie and Company	2,000.00		2,000.00
Elias Leider	2,500.00		2,500.00
William H. Segale	500.00		500.00
Jack D. Cordini	1,500.00		1,500.00
Arthur R. Viargues	1,000.00		1,000.00
William H. Parrish	1,500.00		1,500.00
Di Salvo Trucking Company	2,000.00		2,000.00
Marbac Corporation	1,000.00		1,000.00
Total	$113,000.00		$113,000.00

MISCELLANEOUS DEPOSITS	PAR VALUE BONDS	CERTIFIED CHECKS	
County Clerk			
Estate of Henry J. Byrne Missing Person	$1,425.00		$ 1,425.00
Public Administrator			
Mr. Dane Conroy (Absent Heir)	25.00		25.00
Lakeside Village Merchants Assn.		$12,000.00	12,000.00
Purchasing Department Green Goddess Inc.		5,000.00	5,000.00
Recreation and Park Department			
North Beach Playground	25.00		25.00
Pacific Catering Company		1,000.00	1,000.00
Total	$ 1,475.00	$18,000.00	$ 19,475.00

TREASURER

EXHIBIT "B"

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

	Fiscal Year Ended June 30th				
REVENUES	1959	1958	1957	1956	1955
Interest Earned on deposit of public funds	$1,657,945.63	$1,165,020.73	$763,679.74	$564,287.04	$541,647.38
Commission on Inheritance Tax Collections	50,000.00	52,219.18	40,000.00	40,000.00	37,709.59
Other Fees	515.00	103.50	123.50	119.00	99.00
Conscience Money	303.00	40.00	645.00	177.00	831.00
Total	$1,708,763.63	$1,217,383.41	$804,448.24	$604,583.04	$580,286.97
EXPENDITURES AND ENCUMBRANCES					
Permanent Salaries	$ 121,015.82	$ 123,546.51	$116,702.10	$107,043.00	$101,425.90
Allowance for Overtime	135.79	175.59	165.93	243.01	293.24
Contractual Services	2,456.12	1,840.64	3,141.51	4,517.98	3,616.67
Fiscal Agent - New York	16,265.04	13,036.62	11,631.36	11,070.90	11,616.92
Materials and Supplies	1,436.12	1,407.56	1,637.47	1,798.44	1,655.14
Equipment	32.31	176.80	1,252.34	-	536.94
Total	$ 141,341.20	$ 140,183.72	$134,530.71	$124,673.33	$119,144.81
Net Revenues	$1,567,422.43	$ 1,077,199.69	$669,917.53	$479,909.71	$461,142.16

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

CASH TRANSACTIONS	Fiscal Year Ended June 30th 1959	1958
CASH BALANCE - BEGINNING OF YEAR	$144,741,031.49	$101,214,888.28
RECEIPTS		
Receipts	$328,222,337.27	$334,480,622.55
Journal Transfers (Contra)	292,460,208.86	307,642,603.18
Total	$620,682,546.13	$642,123,225.73
Total Balance and Receipts	$765,423,577.62	$743,338,114.01
DISBURSEMENTS		
Cash Disbursements	$335,131,343.84	$290,954,479.34
Journal Transfers (Contra)	292,460,208.86	307,642,603.18
Total	$627,591,552.70	$598,597,082.52
CASH BALANCE - END OF YEAR (Exhibits "A" and "D")	$137,832,024.92	$144,741,031.49

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

CASH TRANSACTIONS	Fiscal Year Ended June 30th	
CURRENT FUNDS	1959	1958
Cash Balance - Beginning of Year	$ 60,172,817.62	$ 58,394,658.94
Cash Receipts	234,699,306.90	222,861,841.09
Journal Transfers	259,143,198.80	255,561,747.77
Total Available	$554,015,323.32	$536,818,247.80
Cash Disbursements	$219,423,595.65	$204,924,667.67
Journal Transfers	274,817,866.28	271,720,762.51
Total Disbursements	$494,241,461.93	$476,645,430.18
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 59,773,861.39	$ 60,172,817.62
CAPITAL FUNDS		
Cash Balance - Beginning of Year	$ 68,553,515.49	$ 32,160,471.91
Cash Receipts	27,436,011.36	53,743,550.26
Journal Transfers	10,698,817.42	29,800,340.24
Total Available	$106,688,344.27	$115,704,362.41
Cash Disbursements	$ 33,707,106.71	$ 13,903,387.04
Journal Transfers	13,730,901.01	33,247,459.88
Total Disbursements	$ 47,438,007.72	$ 47,150,846.92
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 59,250,336.55	$ 68,553,515.49
TRUST AND ASSESSMENT FUNDS		
Cash Balance - Beginning of Year	$ 16,014,698.38	$ 10,659,757.43
Cash Receipts	66,087,019.01	57,875,231.20
Journal Transfers	22,618,192.64	22,280,515.17
Total Available	$104,719,910.03	$ 90,815,503.80
Cash Disbursements	$ 82,000,641.48	$ 72,126,424.63
Journal Transfers	3,911,441.57	2,674,380.79
Total Disbursements	$ 85,912,083.05	$ 74,800,805.42
CASH BALANCE - END OF YEAR (EXHIBIT "D")	$ 18,807,826.98	$ 16,014,698.38
TOTAL CASH ON HAND (EXHIBITS "A" AND "D")	$137,832,024.92	$144,741,031.49

Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

REPORT ON EXAMINATION OF ACCOUNTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 1959

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 21, 1959

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1959

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Exhibit A - Balance Sheet, June 30, 1959
Exhibit B - Statement of Surplus for the year ended June 30, 1959
Exhibit C - Statement of Income and Expense for the years ended June 30, 1959 and June 30, 1958
Schedule C1-Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1959
Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1959 and June 30, 1958

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1959, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

N B Cooper

Nathan B. Cooper
Supervisor, Utility Audits

Approved: Harry D. Ross

HARRY D. ROSS
CONTROLLER

EXHIBIT A

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1959

A S S E T S

Fixed Capital:			
In Service		$54,059,140.08	
Less Reserve for depreciation		10,262,041.07	
Net book value		$43,797,099.01	
Under construction		962,247.60	$44,759,346.61
Cash:			
On deposit with City and County Treasurer		$ 7,191,353.67	
Revolving Fund		2,500.00	7,193,853.67
Accounts Receivable:			
Federal Grants		$ 94,209.45	
Estimated Federal Grants	$1,329,705.53		
Less: Reserve for estimated Federal Grants	1,329,705.53	-0-	
Revenues accrued and other receivables (Net)		849,348.21	943,557.66
Interfund Accounts:			
Due from other public service enterprises			1,151.09
Deferred Charges:			
Materials and supplies		$ 20,628.62	
Commitments (contra)		2,913,812.87	
Other deferred items		17,998.97	2,952,440.46
Total Assets			$55,850,349.49

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:		
Maturing within year ending June 30, 1960	$ 1,983,000.00	
Maturing Sept. 1, 1960 through May 1,1973	13,273,000.00	$15,256,000.00
Bond Interest:		
Matured coupons not presented for payment	$ 3,307.50	
Accrued, not due	64,705.19	68,012.69
Accounts Payable:		
Outstanding warrants	$ 279,947.20	
General creditors	157,385.15	
Commitments (contra)	2,913,812.87	3,351,145.22
Interfund Accounts:		
Due to general city and county	$ 32,319.81	
Due to other public service enterprises	114,347.67	146,667.48
Deferred Credits		282,760.37
Total Liabilities		$19,104,585.76
Surplus - Exhibit B		36,745,763.73
Total Liabilities and Surplus		$55,850,349.49

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1959

Surplus, June 30, 1958, annual report of Controller		$35,220,508.83
Add:		
Contributions:		
State of California, Special Aviation Fund	$ 9,882.81	
Contributions from Federal Agencies:		
CAA Grants #812,813 and 814	583,229.03	593,111.84
Net Profit, fiscal year 1958-59 - Exhibit C		932,143.06
Surplus, June 30, 1959		$36,745,763.73

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1959 AND JUNE 30, 1958

OPERATING REVENUES:	June 30, 1959	June 30, 1958
Air carrier Flight Operations:		
Scheduled	$940,687.21	$757,158.81
Non-Scheduled	28,677.84	28,583.02
Total Air carrier Flight Operations	$969,365.05	$785,741.83
Rentals:		
Aircraft outdoor storage	$ 11,840.55	$11,853.28
Airport property		
Unimproved and paved	125,466.69	110,686.78
Expansion area	1,315.48	3,945.18
Hangars	35,885.52	35,181.52
Passenger terminal building and airmail and cargo building office space	707,192.54	674,761.09
Other buildings and structures	63,683.70	66,060.26
Total Rentals	$945,384.48	$902,488.11
Bulk Petroleum Deliveries:		
Professional fire service	$ 22,028.39	$ 27,362.11
Rental of tank farm area	12,579.80	10,936.88
Wharfage charges	52,853.92	46,945.60
Pipe line licenses	300.00	300.00
Total Bulk Petroleum Deliveries	$ 87,762.11	$ 85,444.59

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1959 AND JUNE 30, 1958

OPERATING REVENUES - Cont'd	June 30, 1959	June 30, 1958
Services, Sales, Commissions and Permits:		
Restaurant and allied services	$ 378,971.27	$ 357,642.23
Newspaper and tobacco counters	105,980.56	63,107.32
Taxicab and limousine permits	176,673.87	159,840.44
Parking Lot (includes parking meters)	646,540.95	589,781.61
U-Drive	410,854.49	300,828.25
Telephone commissions	21,759.82	19,924.61
Insurance vending machines	4,800.00	4,800.00
Sale of petroleum products	13,371.76	14,314.72
Shoe shine stands	4,726.09	4,246.69
Vending and weighing machines	440.27	453.22
Baggage locker commissions	12,395.21	13,344.68
Rest rooms	17,993.69	17,948.46
Automobile service station	20,913.34	18,602.66
Florist	3,394.24	3,443.70
Gift shop	29,963.42	27,088.87
Advertising displays	31,718.53	30,925.07
Children's "Merry-Go-Rounds"	811.64	801.04
Candy shop	4,057.92	2,522.04
Book shop	6,403.20	5,519.55
Photography	765.61	1,549.01
Barber shop	3,970.34	3,638.67
Telescopes	425.86	353.04
Porter service	3,000.00	3,000.00
Telo-Tronics Agency	748.05	750.06
Beauty shop	2,280.00	2,280.00
Hotel	666.12	-0-
Total Services, Sales, Commissions and Permits	$1,903,626.25	$1,646,705.94
TOTAL OPERATING REVENUES	$3,906,137.89	$3,420,380.47

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1959 AND JUNE 30, 1958

OPERATING EXPENSES:		June 30, 1959	June 30, 1958
Salaries and Wages:			
General and administrative		$ 69,535.23	$ 53,453.25
Maintenance and operations		852,516.00	827,348.02
Total Salaries and Wages		$922,051.23	$880,801.27
Other Costs of Operation:			
Travel expense (Business trips)		$ 6,302.58	$ 5,201.86
Travel expense and local fares		5.00	11.88
Employee transportation expense		16,487.77	16,687.14
Freight, express and drayage		143.21	116.26
Storage and care of vehicles		307.05	296.05
Maintenance and care of office equipment		401.62	486.23
Maintenance and care of other equipment		1,498.93	964.20
Heat, Light, Power - Water		75,898.31	76,028.30
Telephone and telegraph	$37,520.44		
Less: Extension service charges to tenants	22,108.41	15,412.03	12,704.36
Postage		685.80	748.56
Printing, advertising, etc.		1,152.86	1,280.42
Newspaper and periodicals		634.32	600.47
Window washing		4,793.23	4,393.60
Refuse disposal	$ 9,087.00		
Less charged to tenants	4,714.50	4,372.50	2,965.50
Rentals of office furniture and equipment		-0-	55.00
Professional and special services		53,901.02	46,433.75
Miscellaneous contractual services		649.86	890.92
Operating material and supplies		9,918.72	8,837.39
P.U.C. - general office expense		28,782.42	27,367.73
Fire fighting expense		223,335.13	222,905.23
Purchasing department expense		5,209.66	4,728.05
Towel service		400.32	396.89
Total Other Costs of Operation		$450,292.34	$434,069.79
Other Costs of Maintenance and Repair:			
Runways		$ 14,877.45	$ 22,123.58
Field lighting equipment		184.25	323.56
Radio equipment		2,597.53	2,194.34
Administration building		30,075.44	30,793.79
Other buildings		2,620.12	2,369.74
Automotive equipment		20,944.09	20,999.46
Other equipment and facilities		12,194.79	8,779.44
Parking areas, roads, walks, fences, etc.		463.30	1,839.72
Power distribution system		12,550.31	8,609.76
Total Other Costs of Maintenance and Repair		$ 96,507.28	$ 98,113.39

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1959 AND JUNE 30, 1958

		June 30, 1959	June 30, 1958
OPERATING EXPENSES - Cont'd.			
Fixed Charges:			
Accident compensation - employees		$ 7,753.03	$ 4,763.89
Automobile insurance		2,013.45	1,701.36
Other insurance		24,466.76	22,142.60
Pension and retirement allowance		111,275.34	104,535.37
Taxes paid	$ 81,628.84		
Less charged to tenants	10,079.71	71,549.13	65,263.31
Depreciation		938,835.86	1,037,458.19
Doubtful accounts		4,800.00	4,800.00
Membership dues		1,048.00	1,050.00
Total Fixed Charges		$1,161,741.57	$1,241,714.72
TOTAL OPERATING EXPENSES		$2,630,592.42	$2,654,699.17
OPERATING PROFIT		$1,275,545.47	$ 765,681.30
OTHER INCOME:			
Resale of electric energy	$456,713.44		
Less cost thereof	285,793.35	$ 170,920.09	$ 127,737.24
Resale of water	$ 70,046.87		
Less cost thereof	60,157.58	9,889.29	4,678.81
Sale of steam		5,549.70 (1)	5,375.79 (
Sewage disposal		21,107.83 (1)	18,264.62 (
Miscellaneous		7,139.69	6,638.20
Total Other Income		$ 214,606.60	$ 162,694.66
Sub-total		$1,490,152.07	$ 928,375.96
OTHER EXPENSE:			
1945 and 1949 Airport Bond Interest Expense		$ 86,476.03	$ 111,466.05
Miscellaneous additions to and deductions from income - net (Schedule C-1)		471,532.98	(4,952.20)
Total Other Expense		$ 558,009.01	$ 106,513.85
NET PROFIT		$ 932,143.06	$ 821,862.11

(1) Cost of these items is incidental to the production for Airport general use. No breakdown of unit costs is available.

The accompanying notes to financial statements are an integral part of this statement of income and expense.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1959

	Applicable to 1958-59	Applicable to Prior Years	Total
Additions:			
Miscellaneous deductions from expense	$	$ 2,564.07	$ 2,564.07
Miscellaneous additions to revenue		2,768.42	2,768.42
Increase in landing fees agreed to by and billed to Trans World Airlines applicable to 1957-58		97,046.00	97,046.00
Total additions	$	$ 102,378.49	$ 102,378.49
Deductions:			
Adjustments of Fixed Capital:			
Appraisal at June 30, 1958		$ 572,581.51	$ 572,581.51
Other Adjustments	$ 1,329.96		1,329.96
Total Deductions	$ 1,329.96	$ 572,581.51	$ 573,911.47
Net Deduction			$ 471,532.98

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1959 AND JUNE 30, 1958

Comparative report of aircraft movements and traffic, including domestic and international activities as reported by the various sources. The accuracy of this data has not been verified by the Controller's Utility Audit Division.

	June 30, 1959	June 30, 1958	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower:				
Carriers	133,218	127,433	5,785	4.5
Itinerant	48,157	36,150	12,007	33.2
Local	36,834	38,281	-1,447	-3.8
Totals	218,209	201,864	16,345	8.1
Number of passengers, as reported by air carriers:				
On and off	3,762,934	3,579,590	183,344	5.1
Through (No stopovers)	512,741	466,934	45,807	9.8
Totals in and out (1)	4,275,675	4,046,524	229,151	5.7
Air mail, express and freight, in pounds on and off, as reported by various air lines: (1)				
Air Mail (2)	43,184,222	37,702,803	5,481,419	14.5
Express	7,989,504	8,517,441	-527,937	-6.2
Freight	95,188,494	79,756,359	15,432,135	19.3
Totals	146,362,220	125,976,603	20,385,617	16.2

Note:

(1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.

(2) June 30, 1959 figure includes 10,336,811 pounds of first class mail sent by air.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1959

Note 1. Included in accounts receivable of $849,348.21 are certain disputed sums in the amount of $40,115.03 which are fully reserved under the account deferred credits. Also included in accounts receivable are charges to Western Air Lines, Inc. covering landing fees for the period from September 1, 1957 to June 30, 1959 in the amount of $245,859.32 for which no reserve has been set up. This sum is presently in litigation.

Additional reserves in the amount of $213,809.31 are included under deferred credits to cover charges to Western Air Lines, Inc. prior to September 1, 1957 paid under protest.

Note 2. Included in accounts receivable are charges to Trans World Airlines, Inc. in the amount of $191,726.19 covering an increase in landing fees for the period from July 1, 1957 to June 30, 1959, to be paid in monthly instalments over a period of approximately two years. These charges represent the difference between the rates established by the Public Utilities Commission and the rates set forth in the 1942 lease which was terminated by mutual agreement on August 10, 1959.

Note 3. An appraisal of the fixed capital at June 30, 1958, by John F. Forbes and Company, certified public accountants, revealed that certain properties in the old airport areas had been abandoned or were, in their opinion, worthless and without salvage value. The book value of the fixed capital at June 30, 1958, was decreased accordingly and the following necessary valuation adjustments were charged to the account "Miscellaneous Deductions from Income":

	Book Value
Harbor & Channel dredging in the Seaplane Port Area	$2[illegible],203.91
Flood lighting in the Seaplane Port Area	84,977.88
Fire fighting equipment in the Seaplane Port Area	13,338.00
Land reclamation, runways etc. at Belle Air Island	67,810.79
Salvage value of buildings in the old terminal areas	99,098.41
Miscellaneous valuation adjustments	25,202.52
Total valuation adjustments	$[illegible],561.51

Note 4. In addition to the amount stated in Note 1, the San Francisco International Airport was contingently liable at June 30, 1959 for various alleged personal injuries and property damages evidenced by claims filed with the Controller in the amount of $105,045.62. During the fiscal year ended June 30, 1959 there was in force an insurance policy protecting the Airport from personal injury and property damage claims.

City and County of San Francisco
Employees' Retirement System

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EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1959

FARQUHAR & HEIMBUCHER
Certified Public Accountants

220 Bush Street
San Francisco 4, California

December 14, 1959

To the Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

We have examined the balance sheet of the San Francisco City and County Employees' Retirement System at June 30, 1959 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the San Francisco City and County Employees' Retirement System at June 30, 1959 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a baris consistent with that of the preceding year.

THIS REPORT IS ISSUED WITH THE UNDERSTANDING THAT, WHILE IT MAY BE REPRODUCED IN ITS ENTIRETY, EXTRACTS FROM IT OR REFERENCES TO IT SHALL FIRST BE SUBMITTED FOR OUR APPROVAL

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1959

Exhibit B Statement of Changes in Reserves for the Year ended June 30, 1959

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 20, 1959. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter, effective January 8, 1932, the employees of the police and fire departments were brought into the System, and the present name and administrative organization were adopted.

The System is administered by the Retirement Board consisting of seven members. They are the President of the Board of Supervisors, the City Attorney, three active members of the System elected by the membership, and two members appointed by the Mayor of whom one is an officer of a bank, and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Harold S. Dobbs, President of the Board of Supervisors; Mr. Norman S. Wolff, the designated representative of Mr. Dion Holm, City Attorney; Mr. William J. Murphy; Mr. William T. Reed, and Mr. Martin F. Wormuth, elected by the membership; Mr. Philip S. Dalton of Crocker-Anglo National Bank; and Mr. James Martin Hamill of Equitable Life Assurance Society of the United States. Mr. Daniel Mattrocce is Secretary of the System.

Membership in the System now includes all permanent civil service employees of the City and County of San Francisco and the San Francisco Unified School District, certain part time employees, and certain elective officials. The present active membership is approximately 19,700, and approximately 5,300 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we compared members' contributions with payroll records and with established contribution rates on a test basis. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under

charter section 165 the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1 and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

Department	Charter Section	Rates
Municipal Railway	165.2	5.800%
Water Department	165.2	11.804
Police Department	168.1	18.112
Fire Department	171.1	25.580
All others	165.2	12.377

The above rates were computed on the basis of an actuarial survey of June 30, 1954 adjusted for charter changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

Other contributions of the City and County of San Francisco represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	$ 8,016,456
Disability retirements	2,344,971
Industrial death allowances	820,424
Death benefits to members' beneficiaries	672,590
Death benefits to beneficiaries of retired employees	181,417
Total	$ 12,035,858

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - $ 7,629,467

Cash on deposit with the Treasurer of the City and County of San Francisco, $ 7,629,467 was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to $ 62,579 which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - $ 671,313

The above amount represents contributions withheld from employees' salaries for May and June 1959 for which cash transfers were made after June 30, 1959. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions and Reimbursements - $ 427,063

A summary of the balances due from the City and County of San Francisco at June 30, 1959 is as follows:

City and County contributions due from public utilities and special funds	$ 400,577
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	21,454
Due from special funds Compensation costs	5,032
Total	$ 427,063

The amount for City and County of San Francisco contributions due from public utilities and special funds represents contributions for May and June 1959 for which cash transfer vouchers were made after June 30, 1959.

Contributions of policemen, made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death or retirement of each member by the amount of the contribution made to the Pension Fund by that individual member plus interest and charged against current appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Accrued - $ 1,930,898

We have satisfied ourselves by an independent calculation that the above amount of $ 1,930,898 represents the bond interest earned but not yet received at June 30, 1959.

Estimated Future City and County of San Francisco Contributions for Compensation Claims Pending - $ 1,775,000

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1959. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - $ 228,260,762

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1959.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1959. We did not ascertain the current market value of these securities. None of the bonds owned appeared in default as to principal or interest at June 30, 1959, and all appeared to be of a character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to $ 1,724,562 at June 30, 1959, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Requirements Payable to City and County of San Francisco - $ 455,309

This account represents the excess of City and County of San Francisco tax appropriations allocated to the Retirement System over pension costs incurred for the year ended June 30, 1959.

This excess is derived as follows:

Balance June 30, 1958		$ 794,305
Tax appropriation allocated to Retirement System for year		13,229,346
Total		14,023,651
Less Excess over requirements for years ended June 30, 1957 and 1958 returned to City and County of San Francisco	794,305	
Fixed charges for current and prior service and other costs	12,774,037	13,568,342
Balance June 30, 1959		$ 455,309

The City Attorney's opinion number 881, dated September 24, 1954, provides

that the excess in the appropriations made to Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature prior to July 1, 1946, $ 257,388 has been retained in the reserves of the Retirement System against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members.

Administrative and Compensation Costs Payable - $ 11,731

This amount represents the amount payable for administrative expenses, $ 11,699 and compensation costs, $ 32 at June 30, 1959.

Accumulated Contributions of Former Members - $ 23,261

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions but not yet presented for payment.

Advances From Private Sources - $ 1,669

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance Claims Pending - $ 1,775,000

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits
Already Granted - $ 67,771,307

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an actuarial survey was made as at June 30, 1954 upon which the above amount was based.

Reserves for Current Service Benefits
Not Yet Granted - $ 157,040,688

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amount to $ 74,209,047. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1959 at the rate of two and three quarters per cent.

Statements of accounts as at June 30, 1959 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the

member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

City and County of San Francisco accumulated contributions, $ 82,831,641 for the benefit of present members not yet retired are reflected in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1959 interest was credited to this account at the rate of two and three quarters per cent.

Reserves for Death Benefits on Deposit - $ 11,122

This amount represents death benefits which the beneficiaries have voluntarily left on deposit with the Retirement System. They are being paid to the beneficiaries in monthly instalments.

Other Reserves - $ 13,607,446

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded, $ 2,432,488 consists of unallocated funds retained by the System, as provided by an ordinance effective June 30, 1946, plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited. Allocations are made from these funds for financial statement purposes to the reserve for disability pensions in order to increase this reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the redeposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1958			$ 2,574,947
Increases			
Contributions released on withdrawal of active members		34,027	
Contributions released on death of active members		23,562	
Interest credited		134,358	191,947
Total			2,766,894
Decreases			
Amount allocated to the reserve for disability pensions			
Required at June 30, 1959	2,597,702		
Required at June 30, 1958	2,386,699	211,043	
Death benefits paid to beneficiaries of matching plan members		59,211	
Amount transferred on account of redeposit of members' contributions withdrawn		52	270,306
Balance at June 30, 1959			$ 2,496,588

Unallocated earnings from sale of bonds $ 1,724,562 represent the unamortized portion of book profit from the sale of certain bonds. This reserve was created in accordance with resolutions adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds		
Year ended June 30, 1943	$ 408,421	
1944	1,416,102	
1945	3,207,543	
1954	31,051	
1955	57,766	$ 5,120,883
Profit applied for fifteen years ended June 30, 1958		3,396,320
Balance undistributed at June 30, 1958		1,724,563
Profit applied for year ended June 30, 1959		190,001
Balance undistributed at June 30, 1959		$ 1,534,562

On the books of the System this reserve is carried as a valuation reserve against the amortized value of bond investments.

Contingency reserve against adverse experience $ 9,450,396 represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of $ 3,313,803 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1958		$ 8,249,539
Bond interest earned	6,868,859	
Prior years' profit on sale of bonds applied during the year	190,021	
Interest earned on City and County of San Francisco balance	720	
Other income	35,718	7,095,318
Total		15,344,857
Less Interest credited to all accumulated contributions and reserves		5,894,461
Balance at June 30, 1959		$ 9,450,396

EXHIBIT A

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1959

ASSETS

CASH		$ 7,629,467
RECEIVABLES		
Employees' contributions in process of collection	674,343	
City and County of San Francisco contributions and reimbursements	427,963	
Bond interest accrued	1,930,898	
Estimated future City and County of San Francisco contributions for compensation claims pending (contra)	1,775,000	4,807,304
BOND INVESTMENTS AT AMORTIZED VALUE (PAR VALUE $ 229,826,595)		
United States Government	67,207,946	
California municipalities, school districts and other divisions	15,935,109	
Municipalities other than California	3,709,093	
Railroads	329,076	
Railroad equipment trusts	28,489,327	
Railroad terminals	2,515,623	
Public utilities	105,838,202	
Industrial bonds and notes	2,091,791	
Conditional sale agreement	144,995	228,260,762
		$ 240,697,533

EXHIBIT A

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

BALANCE SHEET AT JUNE 30, 1959

LIABILITIES

LIABILITIES CURRENTLY PAYABLE		
Tax appropriations in excess of requirements payable to City and County of San Francisco	$ 455,309	
Administrative and compensation costs payable	11,731	
Accumulated contributions of former members	23,261	
Advances from private sources	1,669	
Estimated liability for compensation costs (contra)	1,775,000	2,266,970
RESERVES		
For current service benefits already granted		
Service retirements		
Annuities	12,206,965	
Pensions	34,182,248	
Disability retirements		
Annuities	1,407,291	
Pensions	16,094,878	
Industrial death allowances		
Annuities	268,923	
Pensions	3,611,002	67,771,307
For current service benefits not yet granted		
Members' accumulated contributions		
Normal - general	59,675,333	
police	7,373,980	
fire	6,927,732	
Additional	232,954	
	74,209,997	
City and County of San Francisco accumulated contributions	52,831,401	127,041,398
For death benefits on deposit		11,129
Other		
City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded	2,830,429	
Contingency withheld from sale of bonds	1,774,330	
Contingency reserve against adverse experience	8,102,000	12,706,759
		$ 240,697,533

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR FISCAL YEAR ENDED JUNE 30, 1959

MEMBERS' CONTRIBUTIONS			
Normal			
General	$ 7,266,444		
Police	754,301		
Fire	663,081	8,680,826	
Additional		35,762	
Redeposit of withdrawn contributions		7,000	8,723,588
CITY AND COUNTY OF SAN FRANCISCO			
REGULAR CONTRIBUTIONS			
Current service reserves			
General	9,191,853		
Police	1,972,849		
Fire	2,461,664	13,626,366	
Current service benefits			
Police	176,752		
Fire	1,104,389	1,281,141	
Prior service benefits			
General	820,981		
Police	1,001,734		
Fire	1,513,678	3,336,393	18,243,900
INCOME			
Bond interest earned		6,868,874	
Other		40,046	6,908,920
CITY AND COUNTY OF SAN FRANCISCO			
OTHER CONTRIBUTIONS			
For administrative expenses (contra)		272,943	
For compensation insurance costs incurred (contra)		279,370	552,313
Total reserve additions forward			34,428,721

EXHIBIT B

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN RESERVES FOR FISCAL YEAR ENDED JUNE 30, 1959

Total reserve additions (forward)			$ 34,428,721
DISBURSEMENTS TO MEMBERS AND BENEFICIARIES			
Allowance and benefits paid			
From accumulated contributions			
Members	1,965,785		
City and County of San Francisco	5,432,539		
From City and County of San Francisco current payments	4,637,534	12,035,858	
Monthly death benefit instalments		1,560	
Accumulated contributions withdrawn		1,695,777	13,733,195
ADMINISTRATIVE EXPENSES PAID (CONTRA)			272,943
COMPENSATION COSTS INCURRED (CONTRA)			
Weekly benefits	187,663		
Medical expenses	271,072		
Premiums	5,106		
Administrative expenses	24,620	489,061	
Less Subrogation recovaries and refunds from special funds		209,691	279,370
Total reserve reductions			14,285,508
EXCESS OF RESERVE ADDITIONS OVER REDUCTIONS			20,143,213
RESERVES AT JUNE 30, 1958			218,287,350
RESERVES AT JUNE 30, 1959			
For current service benefits already granted		67,771,307	
For current service benefits not yet granted		157,040,688	
For death benefits on deposit		11,122	
Other reserves		13,607,446	
Total			$ 238,430,563